THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, JULY 16, 1938 | 10c a Copy; $5.00 a Year | No. 29

The Nation's Business

The New Conservative Leader

THOUGH party platform and leadership can never be entirely separated it is to Hon. Dr. Robert J. Manion more than to a list of resolutions that the Conservative party will look in the next few years for direction and guidance.

That the new leader will be colorful, dynamic and intensely human seems assured. That he will act with courage, conviction and wisdom should be the wish of every Canadian, whether Conservative in his politics or not.

Dr. Manion starts his tenure of office with a good public record and with the priceless asset of a lovable personality. He likes and is liked by the man in the street.

His ability to make a wise leader will depend on his controlling an Irish temper, overcoming sensitiveness to criticism, and enlisting the support and enthusiasm of the best men in the party ranks.

There are many aspects of the leadership race from which he emerged victor which are disappointing and which independent newspapers will feel free to criticize. But if Dr. Manion is sincere in his appeal for "advice and assistance"—is willing to take that advice and use it wisely—he can be assured of every co-operation and assistance from the press and public alike.

* * *

Debt and Taxation Ignored by Dr. Manion

ONE disappointing feature of Dr. Manion's leadership race was his failure to come to grips with the problem of national debt and taxation. At no point in his public utterances did he give any indication of concern that this country is now laboring under the highest burden of taxation in its entire history. Whatever policy he has in this regard he kept well buried.

Fortunately the party did place in its platform a vigorous expression of view on this point. After urging adherence to a "sound money" policy and emphasizing the need of "renewed emphasis in respect of contractual obligations" the party resolved as follows:

"The National Conservative Party undertakes to reduce the intolerable burden of taxation resulting from overgovernment and waste, and pledges itself to a policy of strict economy and co-operation with other governments, provincial and municipal, to reduce taxation by removing unnecessary overlapping in the various forms of governmental administration.

"The party recognizes that home ownership has been retarded by the excessive taxation of real estate, and its aim will be co-operation with such governments to remove from real estate this unfair burden and thereby stimulate home ownership and the revival of the building and associated industries, thus contributing to the relief of unemployment."

Dr. Manion should not hesitate to tell Canadian voters what he would do about this problem. He should amplify this statement of policy and tell the public of the wastes he would eliminate. To ignore it as he did last week, while at the same time tying his hands in at least one direction, as he did by his negative approach to the railway problem, is to lose an opportunity for leadership in a matter of the utmost importance to every Canadian citizen and voter.

* * *

Manion-Stevens Alliance of Doubtful Wisdom

NOW that the National Conservative party has chosen a new leader and drafted a brand-new 3,000 word platform its future course of action becomes of first-rate importance not only to the two million people who normally vote Conservative but also to the nation at large.

Will the party swing "left" or "right"?

Will it maintain its traditional "Tory" attitude or will it bid boldly for the "protest" vote that swept 384,000 votes into the Reconstruction Party lap in 1935?

If Dr. Manion takes the advice of those who most strongly supported his candidature last week it would appear that a Manion-Stevens rapprochement is imminent.

The argument put forward is that Mr. Stevens still holds the confidence of thousands of small business men and citizens who have been hard hit by the depression. It is argued the party will need this support to ensure success at the next election and that Mr. Stevens is the man who can win it.

* * *

THE dangers of such a policy are obvious. Not only would Dr. Manion alienate the support of many sound-thinking Conservatives were he to team with men of the Harry Stevens type; he would run the risk of losing the support of thousands of farmers, small property owners and employers and employees generally who eschew "New Deal" nostrums and look to the Conservative party as a traditional defender of sound policy and government.

Such an alliance would throw substantial "conservative" support into the Liberal fold. At the last election (and subsequently) the Liberal party has been regarded as more conservative than the official Conservative party. A Manion-Stevens alliance would permit the Liberals to consolidate this position and rob the Conservatives of a large block of their rightful support.

Dr. Manion is admittedly "pro-

(Continued on page 2, col. 2)

Premier Ready To Resign Post Before Contest

Alberta Believes Aberhart Will Not Hurry Election

OPPOSITION TANGLE

By GORDON L. SMITH
Staff Writer, The Financial Post

EDMONTON.—Premier William Aberhart's political stock is steadily sinking in Alberta.

In the 1935 election the Social Credit party secured a little over 50% of the total vote. In the next election not over 30% of the electors are expected to support it.

In view of the current confusion among opposition parties, however, even this niggardly backing may be sufficient to ensure victory. It would probably mean the end of weird legislation to which this province has been treated for the last 2½ years, but the vital reorganization which must follow the Social Credit regime would be postponed for possibly another five years.

In the last week I have talked to farmers, storekeepers, bankers, grain men, civil servants and politicians. All of them, including members of the Social Credit Government itself, state freely that Mr. Aberhart is losing ground.

Aside from a couple of big, privately financed building projects in Edmonton and activity in the Turner Valley, there is stagnation. The civil service is demoralized. Roads are in disrepair. The school system is disorganized. Credit has completely dried up. Farmers have a crop levy hanging over their heads. Agitators are reported advising listeners to pay nothing at all on obligations, predicting that all debts will be annulled by 1940.

Only goods moving are current necessities like food and clothing and farm machinery and cars to selected customers willing to make at least 30% down payments and a definite promise of the balance out of the good crops now maturing rapidly.

With support steadily waning and the present term of office expiring definitely in 1940, outsiders are wondering why Mr. Aberhart does not take the plunge and announce an election this fall. Crop prospects are the most favorable since 1928. The opposition is disorganized, almost leaderless. Even the most antagonistic to Social Credit admit that the Government could probably win.

Possibly Mr. Aberhart may take the chance, but it is considered very doubtful. There was a better opportunity a month ago. Then Ottawa's disallowance of certain Alberta Government legislation was still fresh and might have been made a real issue. But Mr. Aberhart refused.

Back Benchers Afraid

The reason lies in the opposition of the back benchers and to lesser extent in the modest ambition of Mr. Aberhart himself. He is said to be perfectly content to remain pre-

(Continued on page 15)

Rogers Radio Policy Scored

Shareholders Urged to Unite in Demand For Dividend

On its record of earnings for the past two years, Rogers-Majestic Corp. is capable of paying dividends of 40 cents a share, requiring $86,000 annually, according to a letter being sent to holders of the company's class A shares by Dickson, Jolliffe & Co. and F. H. Deacon & Co., both members of the Toronto Stock Exchange.

After making an analysis of the financial statement of Rogers-Majestic, reviewed elsewhere in The Financial Post, the writers of the letter, dated July 12, state:

"It is our opinion that the company, through its wide distribution of well-known household appliances and radios, has exceptional opportunity for substantial profits."

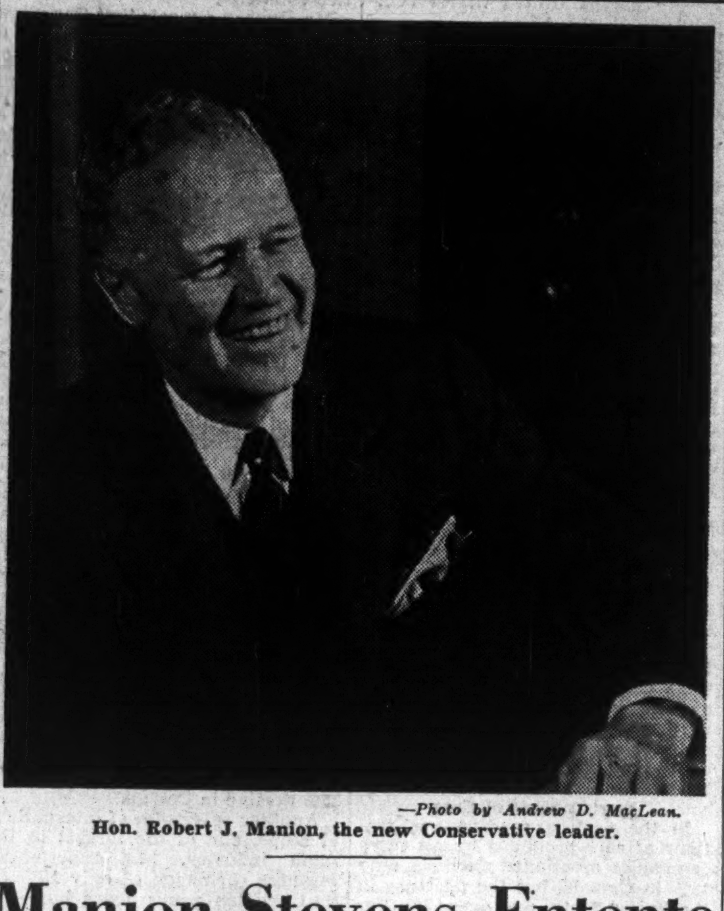
Gross earnings, it is pointed out, have grown from $9,142 in 1934 to $264,396 in 1937 and $272,883 in 1938.

"We presume," continues the letter, "the earnings for the latest fiscal period would have been greater had the company's year not ended March 31 last, at which time commodities and material values were at a low point."

Expenditure Breakdown

Attention is drawn to the remarks of D. G. MacKenzie, vice-president and general manager, who says in

(Continued on page 2, col. 3)



—Photo by Andrew D. MacLean.

Hon. Robert J. Manion, the new Conservative leader.

Manion-Stevens Entente Seen Behind Leadership

New Conservative Platform Leaves Room for Reform

By KENNETH R. WILSON
Staff Writer, The Financial Post

Although a hard-hitting young Westerner nearly upset the party apple-cart, the National Conservatives in convention at Ottawa last week did what they were expected to do and named "Smiling Bob" Manion their leader.

The upset nearly occurred when Maritime-born M. A. MacPherson, of Regina, entered the race at the eleventh hour. Backed by very strong support he more than justified the faith of his sponsors by delivering a nomination speech of great vigor and clarity.

On nomination day "form" it looked as if the Westerner should win. But when voting took place next day, the surgeon-warrior from Fort William—the "man to beat" since Mr. Bennett's resignation two months ago — won handily on the second ballot. The swing to MacPherson which was the feature of the convention was insufficient to offset the carefully laid plans made some time before, to award the leadership prize to Dr. Manion.

Manion and Stevens

Many weeks ago a dominating group of party stalwarts decided Dr. Manion was the best Tory bet. The choice was bitterly distasteful to Rt. Hon. R. B. Bennett the retiring leader. It was made because Dr. Manion's supporters believed that in addition to colorful personal attributes, he could (1) best handle the stubborn, defiant French-Canadian bloc; (2) bring Hon. Harry Stevens back to the Tory fold. It was a definite rejection of the traditional and historic Tory alliance of "imperialism, Orangeism and big business."

And Harry Stevens is still a force to be reckoned with in National Conservative policies. This may be put down as one of the major implications of last week's convention, an implication of much significance to business and to the future of the Tory party in Canada.

The "Protest" Vote

Strangely enough, the convention had scarcely sight nor sound of Mr. Stevens. At one stage he did face the Quebec delegation—perhaps to test his strength in that direction—but at no time in the proceedings did he play any rôle but that of a quiet and seemingly lonely observer.

Those who interpret this as meaning that Mr. Stevens is through as a Conservative influence are mistaken.

It seems highly probable that a Manion-Stevens rapprochement is pending and that the huge "protest" vote which it is believed Mr. Stevens can still swing to his support in any election campaign will be shepherded into the Conservative fold.

Dr. Manion and Harry Stevens have often hunted together in the past. Unless some new factor interferes to upset well-laid plans, they will probably be hunting together again before long.

Delegates Unsympathetic?

Why was no effort made to indicate this impending rapprochement openly at the meeting?

The answer is a difficult one.

Mr. Stevens probably feared the reception he might get at the hands of his own B. C. delegation. To be reckoned with also was the attitude of many old-line Tories who look on an insurgent with distaste.

Some delegates say he was not "allowed" to appear.

The generally-accepted explanation is that party strategy—having assured Mr. Stevens that a rapprochement would subsequently be forthcoming—decided it would be best not to risk any unfavorable episode such as occurred when another "leftist," Hon. W. D. Herridge made his bitter, Jeremiah-like appeal on the closing day of the session.

Although Hon. Harry Stevens is deemed a vital potential source of votes for the party when it takes to the hustings, there is little doubt that a great number of the 1,500 delegates, who comprise the party organization, have no great immediate affection for Mr. Bennett's erstwhile Minister of Trade and Commerce.

Colorful "Bob" Manion

The tenth leader of the National Conservative party is 57. An Irish Catholic himself, he married a French Catholic, Yvonne Desaulniers, in 1906. Formerly a Liberal, he has

(Continued on page 4)

Steel Wares Sales Holding Up Well

From Our Own Correspondent

MONTREAL.—Sales of General Steel Wares showed a further improvement during June. This, combined with the showing made in May, brought the cumulative returns for the half year to only 9% less than for the first six months of 1937. At the end of the first quarter there was a decline of 13¼% from the first quarter of 1937.

No official statement is forthcoming as regards the company's dividend policy. The dividend on the preferred is cumulative from May 1.

Textile Plants On 80% Basis

Outlook for Dom. Textile Still Indefinite — Trade Is Quiet

From Our Own Correspondent

MONTREAL. — Dominion Textile Co.'s prospects at this time are somewhat indefinite and until conditions take a more definite turn it is difficult to say just how the year will turn out. Meanwhile the company's various plants are working 3 or 4 days a week. Some are operating at night, giving a plant operating ratio of between 70% and 80%. It is pointed out, however, that this ratio applies to the new 50-hour week schedule compared with the old basis of 55 hours weekly.

Since the commencement of the current year business has been quiet. June was slow, but toward the end of the month sales started to pick up. So far there has not been much change in advance bookings. Stores and wholesalers managed to sell their cotton inventories rather freely during June, on account of the seasonal weather, but there is no sign of stocking up.

Better U. S. Situation

The principal interest in the Canadian primary cotton textile trade at the moment is the marked change that has come over the American situation. Last month there was particularly heavy buying. Cotton went up a cent a pound with the gain being more marked toward the end of the month. There have been more enquiries and the American cotton textile market has taken on strength.

While there is no reason for expecting a reflection of the American cotton situation in Canada, operators here feel that as the U. S. mills experience a more active domestic market, they will pay less attention to the Canadian market.

May Lessen Competition

Tariff protection is of little value to Dominion Textile and the other primary cotton producers. Competition from the United States and United Kingdom mills continues. The greatest pressure comes from the American mills which were helped greatly when the American exporters were given the benefit of the

(Continued on page 15)

Highlights of the Week

Comment on the stock market from London and New York continues generally optimistic, although some experts question the strength of support for present levels.
Market Opinions—p. 18.

* * *

Expansion into the field of rifles, pistols and other small arms is provided for in the first Canadian contracts for the manufacture of arms. Contracts with the John Inglis Co. covering both Canadian and British government orders for Bren machine guns are analyzed.
Bren Machine Gun—p. 12.

* * *

Stock market upswing has had a relatively larger effect on low priced stocks than those in the higher brackets. A survey of 24 stocks by The Financial Post shows that despite the fact that they are all still selling under $5 values in many cases have doubled during recent weeks.
Twenty Stocks Under $5—p. 11.

* * *

Rumored stabilization of the pound at lower levels opens up important possibilities for Canadian business, would be good news for the gold stock market and would have important implications for the field of international politics.
Pound Pegging Rumors—p. 17.

REGULAR FEATURES

Bond Markets 5
Construction 10
Editorial 6
Investment Trends 4
Market Opinions 18
Pulp and Paper 8
Week in Mining 18
Week in Wheat 15

Massey-Harris Sales Up 6% In 6 Months

Outlook for Last Half of 1938 Stated to be Favorable

EXPORTS HIGHER

Sales of Massey-Harris Co. for the six months ended May 31, 1938, increased slightly over 6% compared with the corresponding period of last year, according to the company's regular half-yearly report.

Lack of purchasing power in the drought areas of western Canada has resulted in Canadian sales, with the exception of tractors, being less than a year ago. If present favorable crop prospects materialize, however, it is expected that turnover in this country will be well in excess of last year. American manufacturers, whose business has suffered as a result of the recession in the United States, have expanded their operations in this country, according to the company, which points out that duty on imports from the U. S. is only 7½%. Sales in Canada are ordinarily about a third of total sales volume for Massey-Harris.

Sales in foreign countries, as a whole, exceed last year. This is in spite of disappointing results in some countries, largely due to drought conditions.

Expect Good Last Half

With regard to the outlook for the balance of the year: "It is pointed out that the second six months period of the company's operations, embracing the harvesting seasons of both the Northern and Southern Hemispheres, accounts for substantially the greater portion of the year's sales, and while the results of the last six months of the fiscal year will depend upon economic and crop conditions in both hemispheres, the present outlook is favorable."

Two new implements recently introduced by the company, a new tractor and a small combine, are being received favorably. Total number of employees as at May 31, 1938, was 6,209 which is stated to be the largest number on the payrolls since 1930.

While the 6% increase in sales reported in the first half of the current year is much less than the increase of 50% shown a year ago, there are several factors that have changed. Last July T. A. Russell, president, said: "An important shrinkage in volume, due in part to economic and political conditions in Europe, manifested itself in June, and this factor coupled with the drought in western Canada will reduce the percentage of sales increase for the full year period."

For the full year ended Nov. 30, 1937, sales rose 40% over the preceding year which in turn was up 30% over 1935. Prospects are thus reasonably good that the company will be able to show its fifth consecutive increase in sales when the report for the current year appears.

Quebec Power Income Higher

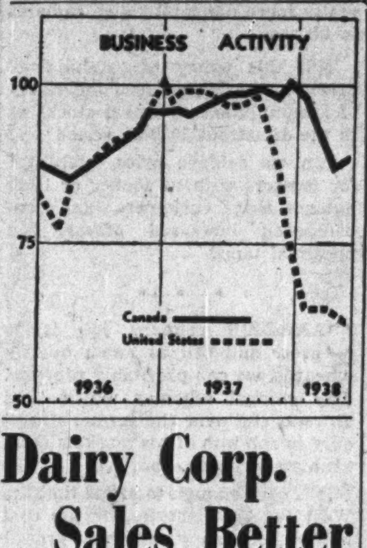
From Our Own Correspondent

MONTREAL.—Quebec Power Co. reports a gross income of $2,050,488 and a surplus before depreciation and income tax of $583,992 in first half of 1938. This compares with a gross income of $1,938,429 and surplus of $483,887 in same period last year.

The sharp gain in surplus account this year is due in part to lower fixed charges, which dropped from $304,265 in 1937 to $256,030 this year and to the elimination of provision for bond discount in 1938 accounts. For the first half of last year $24,000 was set aside for bond discount.

Canadian Business Near Peak Substantial Lag Shown in U. S.

Brighter Picture For Dominion Revealed By Survey of Companies Operating in Both Countries—General Activity is 22% Greater



	% of Decrease	
	Canada	U.S.
Business activity	9	31
Industrial production	10	34
Retail sales	7	20
Steel output	5	64
Employment (factory)	2	24
Chrysler*	10	68
Ford*	12	57
General Motors*	15	41
Anaconda American Brass	20	50
Underwood-Elliott-Fisher	none	30-40
Carborundum Co.	30	40
Parker Fountain Pen Co.	20 (incr.)	18
Thompson Products (auto parts)	none	40
Coleman Lamp & Stove Co.	none	35

* New car registrations.

It is but a short distance that Canada has to travel to regain 1937 levels of business activity. The contrast with the substantial lag in the United States, is strikingly illustrated by the business of companies operating in both countries.

All available statistics show Canada's superior resistance to recession during the past half year. Pace of industrial and business operations as a whole has been not more than 10% slower in Canada, but over 30% behind last year in the United States.

This brighter business picture for Canada is mirrored clearly in Canadian and United States operations of affiliated concerns with interests in both countries.

Survey by The Financial Post shows that Canadian units of such firms have enjoyed consistently better business than their American counterparts. In virtually every case, pace of the American division of the enterprise was slower than that of the Canadian section.

A number of instances are reported in which Canadian production and sales have been maintained at 1937 levels, or have shown encouraging increase. Declines in Canada are invariably less than in the United States. In the majority of such contrasts, the extent of the drop in the United States was three to six times as great as in Canada.

Range of Losses

Losses reported for Canadian units ranged from 5% to not more than 25%, while corresponding American operations fell off from 12% to over 50%.

The trend revealed by The Post's survey bears out, in specific fields and in individual examples, the picture presented by the chief indices of economic health in the two countries. The concerns checked by The Financial Post operate in a representative variety of industries common to both Canada and the United States.

All-inclusive, comparable indices of business in the two countries are not available for periods beyond May. In that month, however, Dominion Bureau of Statistics index of physical volume of business and The Financial Post index of business both showed a drop of only 9c below May, 1937. Bank of Nova Scotia cumulative business index indicated a decline of only 5%. For the United States, The Annalist business index was 31% down in May.

Weekly indices, that rest on narrower bases, show some recovery in both countries in June. But disparity between Canada and the United States still prevails. The D.B.S. index for week ending July 2 shows a three-point advance over the preceding week and almost a full point increase over last year. At the end of June, Business Week's index of American business activity was still 22% behind the corresponding period in 1937.

Industrial Production

Brisker activity in Canada is also reflected in official government statistics. One of the most important yardsticks, industrial production, showed a decline of 34% in the United States in April, while the May index in Canada fell only 10% below May, 1937. Manufacturing production fell 38% in the United States, only 14% in Canada.

A basic indicator is steel production. It was down 5% in Canada in May (in comparison with last year), while the same month in the United States saw a decline of 64%. Mineral production, an important factor in accelerating Canadian recovery of the past few years, showed a modest increase in the Dominion in May, following on a 13% drop in the United States the preceding month.

Factory Employment

In factory employment, the United States index climbed from 98 to over 100 in the early months of 1937. In the first five months of this year, it continued the downward spiral begun last summer and declined from 87 to 76. In Canada, the D.B.S. index of manufacturing employment at June 1 showed a definite advance over May 1, and was less than six points behind June, 1937.

Canada has also maintained greater consumer buying power. Volume of Canadian retail sales was off only 7% in May, while survey of independent store sales in the United States in the same month showed decline of 20%. As to movement of goods, curtailment of carloadings in Canada has averaged 12% to 15%, while it has run to 25% to 30% below the border.

Canada's relatively advantageous position is crystallized in the actual half-year business of Canadian-American concerns. In some cases, the spread between business levels of Canadian and U. S. operations is even more pronounced than that shown by general statistics.

Spread in Motor Figures

Among concerns responding to The Financial Post's enquiry, the widest gap between Canadian and Ameri-

(Continued on page 2, col. 5)

Dairy Corp. Sales Better

Gain $100,000 in Sales for Year — Canada Dairies Defaults

Annual report of Dairy Corp. of Canada for the fiscal year ended March 31, 1938, will show an increase in sales of approximately $100,000, and present a picture of generally improved operations for the year.

Operations of the four western subsidiaries, City Dairy, Winnipeg; Purity Dairy Products, Saskatoon; Edmonton City Dairy, Edmonton, and Purity Dairy, Regina; finished slightly ahead of the previous year, despite adverse conditions in Saskatchewan. This result was achieved by a slight reduction in total expenses and by an increase in sales of approximately $200,000.

Canada Dairies Defaults

The other subsidiary, Canada Dairies, Toronto, suffered from the effects of labor discord during the year, with a subsequent decline in sales of about $100,000 over the prior year, and greatly increased expense.

On July 1, Canada Dairies defaulted on its first mortgage bond interest, and it is considered likely that some proposal will be placed before the bondholders and shareholders in August to arrive at a settlement.

Net profit of Edmonton City Dairy, as previously reported in The Financial Post, amounted to $36,340 for the year ended March 31, 1938, as compared with $35,333 in 1937.

Dairy Corp.'s statement is held up awaiting a plan to straighten out the corporation's bank loan situation. At March 31, 1937, the corporation and subsidiary owed $623,718 to the banks a portion of which was secured. Excess of current liabilities over current assets totalled $459,110 at the same date.

City Dairy, Winnipeg, is said to have had a reasonably successful year, earning its depreciation and bond interest and redeeming $20,000 of 5% prior bonds on Oct. 1, 1937, according to terms of trust deed, which necessitates retirement of $20,000 annually. This leaves $80,000 of these bonds outstanding.

Results at the Winnipeg subsidiary are described as "very satisfactory," considering the high purchase price of milk and unchanged selling price from October to June, of this year. This condition was partially corrected on June 1,

Purity Dairy, Regina, was able to make a very small profit but did not pay its preferred dividends.

Purity Dairy Products, Saskatoon, was able to meet its bond interest and preferred dividends in full.

Annual meeting of Dairy Corp. will be held about the end of August, at which time it is probable some plan to take care of the bank loan will be advanced.

Gatineau Plans More Refunding

$60 Millions Bond Issue Is Likely This Year

From Our Own Correspondent

MONTREAL.—One of the largest pieces of utility financing ever undertaken by a company in this country, will likely be carried out by Gatineau Power Co. within the next few months. Plans are active again to redeem the existing first mortgage bonds and replace them with an issue carrying a smaller coupon. This means that the company will raise over $60 millions of capital in order to take care of the maturity.

At the end of last year Gatineau had outstanding $68.4 millions of first mortgage bonds. In all the company issued $72 millions of the bonds, but the amount has been reduced through operation of the sinking fund. Under the terms of the trust deed the bonds are callable at 104 on 30 days notice. The next interest date is December 1 and it is expected that by the beginning of October, plans for the new issue will be well in hand.

It is learned that given a good bond market, the company fully intends to have the existing first mortgage bonds out of the way by the end of the year.

Common Sense Speculation

Active Investment Policy During Period of Falling Prices Beset With Dangers, Trader Warns in Advising Difficulties to be Avoided—Three Distinct Phases of Bear Market Are Analyzed

By THE TRADER

With the lessons of a declining market so recent, the investor may follow with profit The Trader's analysis of three stages of a bear movement.

It is necessary to look back only to the market crashes of October, 1929, and October, 1937, to see how costly the mistake of dismissing a stunning sharp plunge as a temporary setback.

The Trader divides bear markets as follows:

1. Initial decline, stunning in its suddenness and extent.

2. Steady sag in prices as news of poor business and earnings comes to light.

3. Selling of stocks to meet pressing demands for cash.

In this, the eleventh article of the series, the Trader advises that any active policy undertaken in a bear market, be centred largely in stocks which have enjoyed concentrated and possibly abnormal prosperity. Large capitalizations make the safest targets.

The next article will discuss the character of some representative bear markets of the past and the possible pattern of those in the future. The effect of government security regulations on future liquidating movements will be discussed.

The series appears exclusively in The Financial Post in Canada.

If an active policy is undertaken in a bear market, stocks to be chosen are not only those which have enjoyed a concentrated and possibly abnormal degree of prosperity but also issues with a large capitalization. Breadth of market must always be sought in operating for the fall or rise—but particularly for the fall. Experienced speculators know this only too well and always make sure of being able to "turn around" at any time without a disastrous penalty. In stocks with a narrow market the trader may almost put prices up or down by his own purchases or sales.

At the outset, seasoned investment issues are slowest to decline. This is because of their intrinsic strength which only the steady erosion of a depression can undermine. It is in the late stages of a bear market, when individuals and institutions have to sacrifice holdings, that the conventional investment issues cave in.

Beware of "Technical Rallies"

While invariably swift, a bear market is not the easy road to riches that it might appear. At some stage occurs a sharp technical rally that is perhaps the most deceptive of all market phenomena. It arises chiefly from the fact that a liquidating movement, as it progresses, spreads apprehension and brings in so concentrated and convulsive a selling movement as to result in a too rapid levelling of values. Although the destruction of capital consumes a shorter space of time than the upbuilding, it is nevertheless possible for liquidation temporarily to overreach itself. In other words, somewhere or other a bear market finds itself in the position of having discounted adversity too far ahead.

Businessmen and investors who can see nothing on the horizon to warrant the sudden collapse of values and who refuse to take stock in the significance of a crash, prove willing buyers. Then if the short interest is excessive with relation to the floating supply of stock, which is to say, the amount of stocks in purely speculative hands, the stage is set for the so-called technical rally. For the most part, only speculative sophisticates are familiar with the development and only they need be concerned with it, since for the rank and file of traders the part of wisdom is to defer buying until the characteristic evidences of the culmination of selling occur.

Danger of this technical rally lies in the tendency of security holders to overlook the significance of the preceding decline. At this stage of a bear market business is usually good and the surface appearance of earning power is all that could be desired. There is a renascence of optimism, and from all sides comes the traditional cry that the market break was only an interruption in

(Continued on page 9)

MEN'S SHOP

WHITE SUITS

Favourite of many men . . . and the most comfortable type of thing you could wear when the thermometer rockets. Smartly finished in single or double-breasted styles . . . with all the usual distinction of Men's Shop clothes . . . all wool fabrics.

2-PIECE SUIT
$25.00 and $30.00

Also Black Wool Tropical Trousers for Formal Wear, made-to-measure, as illustrated. $6.50.

Free Parking While Shopping

BAY STREET SECTION
MEN'S SHOP
EATON'S-COLLEGE STREET

Alexander Murray Co. Cuts Prices on Products

MONTREAL.—Alexander Murray & Co., associated with Dominion Tar & Chemical Co. announces a reduction in prices on a wide range of building materials. In each case the reduction to the trade is actually greater than the 8% sales tax previously chargeable on the materials affected.

CHAMPION MORTGAGE
CORPORATION - LIMITED
EDMONTON VANCOUVER
CALGARY VICTORIA
SASKATOON REGINA

THE DOMINION LIFE ASSURANCE COMPANY

The most care-free of all vacations is planned years ahead —by life insurance.

ESTABLISHED 1889 — HEAD OFFICE — WATERLOO ONTARIO

RIDLEY COLLEGE
ST. CATHARINES, ONTARIO
Canadian Residential School for Boys—founded 1889

Ridley College, set in 80 acres of beautiful grounds, offers sound educational facilities. Courses leading to pass and honour matriculation and R.M.C. A special course for boys entering business life. Small classes under personal supervision ensure individual attention so that the average standing of Ridley students has always been high. Separate Lower School for boys 8 to 14. Upper School for boys 14 to 18. Beautiful Memorial Chapel. Gymnasium, Swimming Pool, Covered Rink, and spacious grounds offer unusual facilities for splendid physical development. School reopens Tuesday, September 13th. Full prospectus and information regarding scholarships, bursaries and Leonard Awards sent on request.

H. C. GRIFFITH, M.A., LL.D., *Headmaster.*

Your Investment Questions Answered Without Charge

As a subscriber to The Financial Post you are entitled to information regarding any Canadian investment that you are interested in.

If not already a subscriber, address your enquiry to The Investment Department when sending in your subscription.

USE THIS COUPON

THE FINANCIAL POST,
481 University Ave.,
Toronto 2, Canada.

Please send me The Financial Post for the next year (52 issues). I enclose $5.00.

Name ....

Occupation ....

Address .... F.P.

The Nation's Business

(Continued from page 1)

gressive" in his ideas and point of view. His mind is open to reform. Were he to associate himself with the Harry Stevens type of "reformer" he would be hard put to avoid the label "radical."

* * *

Quebec Support May Prove Costly

ANOTHER major testing point of Dr. Manion's leadership qualities will be his ability to handle the increasingly difficult Quebec situation. Seldom in Canadian political history have the claims of the Quebec minority been put forward with such determination and defiance as at Ottawa. Scarcely a point of policy arose that did not meet open hostility or challenge from the French-Canadian bloc.

Because of his religious and social background, Dr. Manion was deemed the best man to face this issue. His attitude at Ottawa breathed conciliation and compromise. He undoubtedly lost many votes from western and other delegates who resented what they interpreted as a "ganging up" between the prospective leader and the Quebec group.

Now that he has won the leadership, how far is Dr. Manion prepared to go to curry favor with voters in this province?

How many more demands will the self-styled provincial leader George Héon make in the name of his Quebec bloc?

Does Mr. Héon represent either the rank and file of voters in Quebec or the reputedly powerful Duplessis group? If not what else may be expected of the party to ensure election support?

In short, where can Dr. Manion stop once he starts to pursue a policy of putting his major reliance upon a single province?

* * *

Minimum Prices For Wheat

OTTAWA has decided to establish a minimum wheat price for 1938. The price has not yet been fixed, but participation certificates are to be issued so that farmers may share any surplus accruing from the Wheat Board's operations.

A similar policy has been approved by the Conservative party. It resolved last week to support the Wheat Board Act of 1935. This is similar in principle to the present Liberal policy.

So far the Government is merely guaranteeing the farmer a minimum price for his grain. Nothing has been done to control the sale price or to control other aspects of marketing. Whether Ottawa will take one step without the other and vastly more dangerous step remains to be seen.

Will this policy of "stabilizing" prices to the farmer lead inevitably to accumulation of wheat stocks as in the disastrous 1930-35 period?

Can we achieve price "stability" for farmers without sooner or later antagonizing customers and encouraging increased acreage on marginal land?

* * *

CANADA'S primary job is to grow and sell as much quality wheat as we can profitably produce. Any control schemes which hold an umbrella over the farmer's head only to rob him of his markets must ultimately prove abortive.

It is easy enough to argue that the West (or the fisheries, or the coal miners or many another group) should have a quid pro quo to compensate for geographic or other handicaps, but history is topheavy with marketing schemes which went wrong. Coffee, wheat, sugar, rubber, cotton—all bear mute testimony to this grim fact.

Canada's wheat policy must be positive and aggressive. We must get more markets rather than take steps which would shrink those we now have. We must sell flour as well as wheat. We must find wider outlets and uses for our major cash crop.

Packers Expects Favorable Year

New Edmonton and Vancouver Plants Not Yet Profitable

Prospects for a good year in the packing industry are apparent at the present time, although definite prediction is not yet possible, J. S. McLean, president of Canada Packers, told shareholders at the annual meeting.

Livestock deliveries have been light. Delivery of hogs is running about 30% below last year in the east and nearly 50% in the West, Mr. McLean stated. If good crop conditions are experienced in the west, it is considered likely that there will be a substantial increase in hog production next year.

The company's new plant at Edmonton incurred losses of $150,000 in the first 18 months of its operations, the president said. However, in the last two months there has been a reversal of this trend.

Losses averaging $3,000 weekly have been incurred at the Vancouver plant, which was opened in January, 1938. It is pointed out that as a new plant it is expected that losses would have to be absorbed in the first period of operations, but that the plant will operate profitably when it becomes well established.

Interest is charged to these plants at the rate of 6% on all money invested, in addition to depreciation charges.

Bank of Canada Shares Delisted

Shares of the Bank of Canada will be removed from trading by the Toronto Stock Exchange on July 14. Transfer books of the company are closed July 15 in accordance with the move to redeem Bank of Canada stock held by the public.

Aircraft Orders Expected Soon

By STAFF WRITER

OTTAWA.—On the very highest authority The Financial Post learns that substantial orders from Great Britain for aircraft are expected to be placed within a very short time. Such orders, it is believed, will be announced immediately, unless there is an unexpected hitch in British plans.

These orders will be the direct result of the visit a few weeks ago of the British Aircraft Mission. They will be placed directly with Canadian manufacturers in order that the Canadian Government shall not be involved or implicated in any way.

This will be in line with Ottawa's policy of making no official commitments for the manufacture of British armaments which might be construed as implicating the Government in British defense and war preparation plans.

Padlock Law For Alberta?

From Our Own Correspondent

EDMONTON. — Decision of the Federal Government not to disallow the Quebec padlock law may have repercussions in Alberta, according to sources close to Government circles. The Social Credit administration, it is suggested, may model a new attack on Alberta newspapers along the lines of the Quebec law.

The time limit for disallowing the padlock law expired on July 8, after a statement by Hon. Ernest Lapointe, minister of justice, that the validity of the law was a proper subject for determination in the courts on a concrete case rather than by submission on an abstract question.

The padlock law's effect, as understood in Alberta, depends largely on the definition placed on the word "communist" in the act, which authorizes search and padlocking of premises used in Communist activity, and the seizure of literature found in such premises. A formula of this kind, directed at any activity deemed objectionable by the Social Credit Government, it is suggested, could be used to serve the purposes of the administration in restricting the newspapers.

Rogers Majestic Group Demand Dividends

(Continued from page 1)

his report to shareholders that $849,835 was paid to employees, $1 million used purchasing Canadian supplies, $513,283 paid to the governments in taxes and $89,174 paid in counsel fees and remuneration to executive directors in 1938. The letter concludes:

"We submit that it is time shareholders received better treatment and that the increase in counsel fees and remuneration of executive directors from $33,710 in 1936 to $89,175 in 1938 should not have been made in the absence of payment of dividend."

The two firms signing the letter state that they have, from time to time, recommended purchase of class A shares of Rogers-Majestic and that, through their clients, they have a substantial interest in the company. They are asking for an expression of opinion from shareholders on their suggestions and support of shareholders generally in their stand regarding dividends. At the annual meeting on July 21, only class B shareholders will be entitled to vote but the letter offers to "facilitate as far as possible the attendance of large A shareholders wishing to support us at the meeting."

The company has 200,000 non-voting class A shares outstanding and 15,000 voting class B shares. In all other respects the two classes of stock rank equally.

Investors' Index

MINES AND OILS

Astoria Que.	18	McVittie-Kirk.	18
Aurex. Larder	18	Model Oils	19
Augite Porc.	18	Morris Kirk.	20
Bagamac	18	Naybob	18, 20
Big Bell	18	Negus	20
Bagamac	18	North. Empire	18
Bralorne	18	O'Brien	18
Brit. Dom. Oil	18	Pantapec	18
Buffalo Ankerite	18	Payore	18
Big Missouri	18	Perron	18
Cariboo	18	Pioneer	18
Chan. Yellow.	19	Privateer	19
Cline Lake	18	Reward Min.	18
Cons. Smelt.	18	Reno Gold	18
C'monwealth P.	19	Royalite	20
Dorval Siscoe	18	Seal Harbor	18
East Malart.	18	Siscoe	18
Elbow Lake	19	Sladen Mal.	18
Gold Shore	18	Sigma	18
Goldfields	19	Slave Lake	18
Gunnar	20	St. Anthony	18
Halcrow	18	Stadacona	20
Hallner	18	Stad. Rouyn	18
Hoyle Gold	19	Straw Lake	20
Howey Gold	18	Sullivan	18
Isl. Mountain	18	Sylvanite	19
J.-M. Cons.	18	Thompson Cad.	18
Lapa Cad.	18	Waite Amulet	18
Malartic	18	Ward Lake	18
McDoug.Segur	18	Yukon Cons.	18

INDUSTRIALS AND UTILITIES

A. Murray Co.	2	Growers Wine	5
Abitibi	8	Harding Carpets	16
Alexander Bldg.	10	Imperial Oil	9
Algoma	5	Inter. Paper	9
Alta.-Pac. Gr.	11	Inter. Utilities	16
Amal. Elec.	13	Inter. Paints	16
Andian Nat.	9	Jamaica P. S.	5
B. A. Oil	5	Loblaw Inc.	4
Barker's Bread	2	Mexican Lt.	5
Bathurst P. & P.	11	Maple L. Mill.	11
B. C. Pulp	9	Massey-Harris	1
Beauharnois	11	Montreal Pwr.	13
C. P. R.	12	Montreal Trams.	10
C. I. L.	12	N. Bawlf Grain	11
C. S. L.	16	Ont. Paper	13
Canada Bread	11	Orange Crush	9
Can. Breweries	11	Ottawa Lt.	16
Can. Canners	11	Page-Hersey	4
Can. Gen. Elec.	13	Postal Tele.	3
Can. Indus. Alc.	11	Price Bros.	9
Can. Inter. Paper	9	Power Corp.	9
Canada Packers	2	Quebec Pwr.	1
Can. W. Lumber	10	Rogers-Maj.	1, 5, 16
Champion Mtge.	5	Seiberling	15
Coast Brew.	11	Shawinigan	8
Comm. Alc.	11	Standard Pav.	16
Cons. Finance	13	Steel Co.	10
Dairy Corp.	1	Steel Ware	1
de Havilland	18	Southern Kraft	8
Dom. Fdy.	13	Sunsoy Prods.	12
Dom. Textile	1	Tor. Elevators	5
Dom.-Scottish	15	Trust & Loan C.	8
Eastern Car	12	United Fuel	5
Eastern Dairies	13	Walkerville Br.	11
Fairchild	2, 13	Waterloo Mfg.	4
Gatineau	1	Winnipeg El.	5, 11
Goderich Elev.	7		

QUOTATIONS

Bonds	14, 15	Industrials	14
Grain	15	Mines & Oils	14
Foreign Exchange	17		

Barker Bread Profit Down

Acquires Bredin's Bread and Unnamed Subsidiary During Year

Annual report of Barker's Bread, covering the period from Apr. 1, 1937, to Apr. 16, 1938, shows a net profit of $15,782, as compared with $43,603 for the year ended Mar. 31, 1937.

Since Jan. 1, 1938, H. B. Manning, president, states in his letter to shareholders, the company has acquired through purchase by cash and stock two large concerns in closely allied businesses. One of these two companies is Bredin's Bread Ltd., the acquisition of which was approved by Barker's shareholders at a special meeting, on Dec. 31, 1937.

The other company acquired is not named in the report, nor has it subsequently been revealed.

Sales to Double

Aggregate sales of the combined companies are now stated to be double those of Barker's Bread.

Profit of operations of the unnamed company for the period from Jan. 1, 1937, to Apr. 16, 1936, amounted to $34,442, after providing for depreciation and income taxes. Surplus balance at Apr. 16, 1938, totalled $38,783.

H. B. Manning is president of the merged organization; E. H. Bredin, vice-president and general manager; E. Crossman, secretary; R. B. Phipps, treasurer. Other directors are: G. W. Burry and J. B. White.

Assets Increased

Assets of Barker's Bread and subsidiaries, including the unnamed organization, total $1,427,149, as compared with total assets of Barker's Bread, before merger, at Mar. 31, 1937, of $898,696. Working capital of the new company amounted to $50,272, as compared with the original company's $116,518, at Mar. 31, 1937.

Cash declined to $2,586 at Apr. 16, 1938, from $113,536 at Mar. 31, 1937. It is stated that because of the cash character of the company's business, smaller working capital does not impair operations as greatly as it would in another type of business.

Fixed assets were increased by the merger to $933,865, from $431,005; formulae and goodwill to $194,269 from $166,994; accounts payable and accrued charges to $192,047 from $44,562.

Exchange Not Revealed

Mortgages payable increased to $205,000 from $70,000. Minority interest in subsidiary companies is shown at $29,750. Installment notes of $18,000 are shown in the new company's balance sheet.

While exchange arrangements with the new subsidiaries were not made public, 12,224 common shares are shown in balance sheet to be issued in exchange for subsidiary shares. Outstanding preferred shares at Apr. 16, 1938, totalled 9,179 and common, 26,004, on which there was an amount receivable of $16,949 under the employees' stock plan. This compares with 8,500 shares and 22,000 shares, respectively, at Mar. 31, 1937.

There was a capital surplus shown in the balance sheet at Apr. 16, 1938, of $39,927, created by the acquisition of Bredin's Bread.

Manning Biscuit Moved

Barker's Bread and Bredin's Bread occupy adjacent plants in Toronto. It is expected that the merger will result in definite benefits and economies. Consolidation of the companies has not yet been completed.

Manning Biscuit Co., is being moved into the Bredin plant, from its Leaside situation. It is officially stated that this company will be operated independently of the other two organizations.

†Income and Surplus Account

	From Apr. 1, 1937 to Apr. 16, 1938	Year ended Mar. 31, 1937
	$	$
Operating profit	42,625	78,641
Less: Depreciation	23,855	24,288
Income taxes	2,988	10,750
Net profit	15,782	43,603
Less: Pref. divds.	21,770	5,421
Com. divds.	11,807	......
Surplus for year	*17,795	38,182
Add: Prev. surplus	185,953	147,771
Pref. stk. cancelled	17,550	......
Less: Equip. adjust.	1,595	......
Surplus forward	184,113	185,953

*Deficit.
†Accounts of Barker's Bread only.

Canadian Business Near Peak

(Continued from page 1)

can operations is indicated by John D. Mansfield, president, Chrysler Corp. of Canada. Not only has the falling off in his company's volume of business been very slight (1½%), but it has been only one twenty-eighth of the shrinkage experienced by the parent United States company.

The period covered by Mr. Mansfield's reply is the "model year" from October 1, 1937, to July 1 last. Shipments of the Canadian company were maintained at 98.5% of the corresponding months in 1936-37. In sharp contrast, shipments of the Chrysler Corp. in the United States were reduced to 57.6% of those in the preceding model year, a decrease of 42.4%.

Mr. Mansfield did not provide data confined to the first half of this year, which would exclude the fall and winter period last year when Canadian business had not reacted to the United States recession. Also unavailable at the time of The Financial Post survey, were sales or shipment figures permitting a direct comparison for the first part of this year of General Motors and Ford Motor Co.

A reliable index in this regard, however, are the official reports of new passenger car registrations on both sides of the border during the first few months of 1938. Canadian figures covering from Jan. 1 to the end of May and U. S. reports running to the middle of May, show the trend. It has not materially altered since. They emphasize the more favorable experience of Canadian production units. They exclude export sales, and thus are a close check on strictly domestic volume of new cars delivered to the public.

Registrations of Cars

In the periods covered, registrations of cars produced by all three companies mentioned declined only 12% in Canada, but the decrease in the United States was over 55%. For the individual manufacturers, the comparison is:

	Registration Canada	Drop In U.S.
	%	%
Chrysler	10	68
Ford	12	57
General Motors	15	41

The table shows a curious result—the greater the decline in the United States, the smaller it has been in Canada. Expectation in the industry is that a good deal of the ground lost in the United States will be made up before the end of the year. But this should not alter the relative disparity between the two countries. Signs of recovery are also becoming evident in Canada. As the decline was less, the lag behind last year's level of business should be narrowed more quickly and easily.

Parts Production

A further check on the varied trend in the automotive industry is provided by companies producing parts. In this group, a typical firm straddling the border is Thompson Products Inc. of Cleveland and Detroit, with Canadian operations carried on by Thompson Products Ltd., St. Catharines. Production in the American plants is reported off about 40%. From the St. Catharines plant comes word that volume so far this year has not only held up to last year's level, but has actually shown an advance owing to production of new lines of parts.

Quantity of parts supplied from St. Catharines to one car producer has shown a drop of 20%, and output for a second has decreased about 10%. But orders from a third have increased, with the net result that Canadian business of the firm has not been dented by recession.

Farm Machinery

In another division of heavy industry—farm machinery manufacture—the spread between Canadian and American levels of business is not as great as in the automobile industry. But it is substantial and again to Canada's advantage. James S. Duncan, general manager of Massey-Harris Co., told The Financial Post recently that while United States business of the company was holding up to about last year's level, Canadian business had increased somewhat. This comparison is considerably more favorable than that for the industry generally in the two countries.

Mr. Duncan expects that Canadian farm implement companies as a whole will achieve an increase, though possibly a slight one, in 1938 business over last year. Cockshutt Plow Ltd. has already reported a 13% increase for the first six months. Most recent estimate of outlook for the industry in the United States is that it will end the year with sales 20% to 25% behind 1937 totals.

In combination with recent reports of drastic plant shutdowns by some American implement firms, this would indicate that recession of business to date this year has been even larger, but would be partly made up on the full year. One firm with a plant in this country is said to have seen its U. S. business cut 40%, its Canadian volume only 9%.

Paper Board Business

Another important measure of the pace of business in both countries is production of merchandise containers and paper board. In this field falling away of sales has also been notably less in Canada than in the United States, where production fell off as much as 50% in the past few months.

Figures supplied with a request that the firm name be not used, show that one firm operating in both countries had suffered a drop of 30% in U. S. sales in the first few months of 1938, compared with a 25% decline in Canada.

Another enterprise of international scope, one of the largest in the same industry, has experienced business shrinkage of only 10% on its Canadian paper board business, but 30% in the United States. Sales of its packing case products have dropped 18% in Canada, 32% in the U. S.

Robert Gair Co. Inc. reports production in the first five months of this year showing an average reduction of 32% under 1937 operations, but the report did not give separate data for Canadian business.

Scale Business

In another field reflecting general business activity, Canadian Toledo Scale Co., Toronto, maintained sales in the Dominion during the first six months of 1937 at 93% of the same period last year. American business of the parent company is running between 60% and 70% of 1937 volume. Canadian - American operations of the firm are divided into six zones, on which bulletins are issued monthly. The reports have consistently shown Canada, which constitutes one zone, doing considerably better business than any of the other districts.

In a different industry, Coleman Lamp & Stove Co. has suffered a loss in domestic business in Canada of about 25%. However, last year sales volume constituted a record since the prosperous days of 1926-29. Furthermore, an increase of one quarter in the Canadian firm's export business this year has held total sales at approximately the same level as in 1937. All plants of the associated company in the United States are operating on a restricted scale. American business has been cut by 35% so far this year.

In the manufactured foodstuffs industry Christie, Brown & Co. has held 1938 business in Canada at about the same level as 1937 and is doing "considerably better" than the big American concern with which it is linked, National Biscuit Co. A. A. Fraser, general manager of Christie, Brown & Co., preferred to withhold exact figures.

Basic Industrial Supplies

Canadian business has also held up more strongly in production of basic supplies for industrial operations. Figures supplied by The Carborundum Co. of Niagara Falls, N.Y., manufacturer of abrasives and refractory materials, show a 40% decline in business in the January-June period this year. Sales of its subsidiary, Canadian Carborundum Co., have fallen off only 30%.

Approximately the same advance of Canadian over American business has been recorded so far this year in the production of chemical components for electrical equipment. One of the largest concerns in this industry has enjoyed business virtually the same as early last year, while its parent company in the United States has suffered a sales recession of 10 to 12%.

Electrical Equipment

In the electrical equipment industry itself, Canadian volume has held up much better than in the United States. Specific data are not available showing the extent of the falling off in Canadian General Electric Co. business to date, but published report of the parent General Electric Co. in the United States shows drop of 41% in business for the first six months.

Specific figures permitting a direct comparison for the rubber industry were not available. But factors such as the relative activity of Canadian and American auto production units indicate that American rubber volume is running behind Canadian levels. Recent survey by Dun & Bradstreet of the rubber goods industry in the U. S. covered the first five months of 1938. It showed reductions ranging from 45% to 50% in crude rubber consumption, production and shipments, in comparison with the like period of last year. In Canada, setback of business for the industry is not believed to vary seriously from the decline figure of 10% supplied by the Seiberling Rubber Co. of Canada.

In the first five months of the year, total shipments of tires only dropped 44% in the U. S., 23% in Canada. Shipments to dealers for replacements fell 21% in the U. S., 10% in Canada. Sales of general rubber products held up better in both countries.

Metal Industries

Comparison of half-year results in the big metal industries show Canadian units maintaining a substantially better ratio to 1937 results than in the United States.

Officials of Anaconda American Brass Ltd., New Toronto, advise The Financial Post that business has dropped 20%, while decline of the parent American enterprise has been 50%.

Detailed figures were not available on Page-Hersey Tubes Ltd., but company officers confirmed report that decline in business had been less severe than that of the associated American concern.

Officials of International Metal Industries Ltd. attribute greater decline in business in the U. S. to more pronounced advance there last year.

Deliveries of metal business equipment are also brisker in Canada than south of the border. Business of the Canadian unit of Underwood-Elliott-Fisher has held at approximately the same level as last year, while in the United States the company has had to cope with a drop in sales volume of 30-40%.

Exceptions Rare

Isolated exceptions to the general relation between Canadian and American business were found in the beverage products industry. R. H. MacDonnell, vice-president of Canada Dry Ginger Ale Ltd., Toronto, advises The Financial Post that business of his firm is running ahead of last year, which was best in the company's history. At the same time, sales volume of the American company is also up over 1937.

Enquiry as to relative pace of operations of the Postum Co. and its Canadian counterpart brought the reply that all plants were "operating normally" so far this year in comparison with last.

Guide to the position in a consumer goods specialty industry is provided by the Parker Fountain Pen Co., Toronto. While export business of this Canadian firm has eased off by about 5%, domestic sales have shown a rise of 20% so far this year. In a similar comparison, business of the parent American concern is down 18%, and that of the English company by 30%.

Construction Supply Firms

Though Canadian construction volume is running about 26% below last year, construction supply firms have enjoyed notably better business in this country than south of the border.

Sherwin-Williams Co. of Canada has recorded sales approximately equal to last year's volume, and is operating on a more satisfactory basis than the related American company. The American company has experienced much the same results as the U. S paint industry as a whole, returns of which have slumped 24% in past months.

Industrial Marketing

Canada is favored in comparisons for industries as unrelated as industrial machinery manufacture and textile production.

Officials of Canadian Ingersoll-Rand Co. report that business trend of their firm to date this year has been definitely better than the associated company in the United States, though the American company is now enjoying more satisfactory volume.

Sales of Canadian Celanese Ltd. fell off during the first half of this year and the common dividend was passed, but even more serious difficulties were experienced by the U. S. company. The American unit was compelled to pass the participating preferred dividend.

A Million DEPOSIT ACCOUNTS DENOTE CONFIDENCE

BANK OF MONTREAL
Established 1817

MODERN, EXPERIENCED BANKING SERVICE
... the outcome of 120 years' successful operation

HEAD OFFICE MONTREAL

New Issue

$4,000,000

CITY OF MONTREAL

4% Bonds
(Non-callable)

To be dated 1st June 1938 Maturing 1st December, 1946

Principal and half-yearly interest (1st June and 1st December) payable in lawful money of Canada in the Cities of Montreal and Toronto. Coupon Bonds in denominations of $1,000 and $500, with provision for registration as to principal.

The Bonds will be direct obligations of the City of Montreal and will rank concurrently and *pari passu* with the securities of the City already issued and will be, in accordance with the law, a charge upon the immovable property situated within the City limits. The proceeds of this issue will be used for the budget of capital expenditure for the fiscal year 1938-39; in settlement of arrears of school taxes which were contested by the City; and for the consolidation of expenditure for Unemployment Relief.

This loan will be renewable at maturity, 1st December, 1946, for an approximate amount of $2,000,000 only, being a decrease of $2,000,000 which will represent the sinking fund accumulated at that date.

Particulars of the Funded Debt and other financial statistics are set out in the prospectus, copy of which is available upon request.

Price: 100 and accrued interest

It is expected that Interim Bonds will be ready for delivery on or about 20th July, 1938.

We offer these Bonds on behalf of the City of Montreal, at the above-mentioned price and accrued interest, subject to prior sale and allotment, if, as and when issued and subject to the approval of Counsel, Mr. Guillaume Saint Pierre, K.C., for the City and Messrs. Laurendeau & Laurendeau for the Selling Agents.

Savard, Hodgson & Co., Inc. W. C. Pitfield & Company, Limited
Wood, Gundy & Company, Limited L. G. Beaubien & Co., Limited
Hanson Bros. Inc. René-T. Leclerc Inc. Greenshields & Co Inc.
Crédit Anglo-Français, Limitée Société de Placements, Incorporée

DUNCAN SANDYS

London Calling

by Atticus

Hore Belisha Honest but Angered Man of War—Duncan Sandys Parliamentarian With a Future

"Atticus" this week discusses the personalities engaged in the recent Sandys case in the British House. Duncan Sandys, 30-year-old Churchill Conservative M.P., asked a question in the house concerning anti-aircraft defenses. Leslie Hore-Belisha, Minister of War, scented that the question indicated Sandys knew much about Britain's war secrets. He consulted the attorney general, Sir Donald Somervell, who advised action under the Official Secrets Act. As Sandys is an officer in the territorials (militia) he was summoned to appear before a military tribunal headed by Sir Edmund Ironside. Carrying his case back to the floor of the House, Sandys, backed by many other members, claimed that the rights of a member of Parliament were being violated.

LONDON. — Whatever else one may think about the highly sensational happenings in Parliament a few days ago it must be confessed that the casting of the parts was superbly done. While it is the habit of the professional theatre sometimes to make alterations in the cast between a provincial try-out and the London premiere I do not believe the players in the latest Westminster drama could be bettered even if it were being put on for a run.

Mr. Duncan Sandys has just that youthful melancholy which would make him a good Hamlet, while he also has that slight suggestion of cunning which would enable him to play Iago when the bill was changed. Nor would his Thespian assets end there. He is good looking enough at least to understudy the part of Romeo and slim enough, in case of an emergency, to play the apothecary. Mr. Sandys is an excellent Parliamentarian and is bound to get somewhere. The only trouble is that the notoriety which he has so suddenly acquired may make the conquest of the future seem unimportant, by contrast, and not worth while.

* * *

Honest But Angered

Then we have in Mr. Hore Belisha the honest but angered man of war. In these notes not long ago I ventured the opinion that one of Mr. Hore Belisha's most charming accomplishments was the ease with which he took on the characteristics of his office. As Financial Secretary of the Treasury he looked like a banker. As Minister of Transport one could almost see the red light and the green reflected in his eyes. When he became Secretary of State for War a stern and martial look o'ercame his features and his voice took on that sharp, incisive quality that one associates with Major Generals. In his capacity as Minister for War he was obviously outraged at the spectacle of a junior territorial officer in possession of secrets unfit for immature eyes. As a politician he gazed on Mr. Sandys with the mounting anger of an honest Othello who has discovered the true character of Iago.

Then there was Mr. Speaker, wiser than Polonius and dignified as Caesar. An upright judge who quells disorder by the majesty of his brow and the soft authority of his voice. Long ago did this self-same Parliament do battle with the Stuart ancestors of Captain Fitzroy and deprive the King of his royal head. Last week the descendant of the Stuarts did sit on guard to ensure that the rights of Parliament, won by such blood and sacrifice, should not be wrested by the rough hands of the military.

Nor would any cast be complete without what the theatre calls a "heavy." General Sir Edmond Ironside was called upon to preside over the military court which was to pry the secrets from the very ribs of the malefactors including territorial officers who were legislators as well. A grand soldier this huge towering figure of a man. A soldier with many languages but no fear, a disciplinarian whose first care is always for his troops, a military leader full of guile in war but possessed of an honorable simplicity in peace. A perfect choice to command Gibraltar. When he goes there he and the Rock will commune together as kindred spirits.

And then there is Sir Donald Somervell.

* * *

The Attorney General

Sir Donald Somervell is 48 years of age, which means that the carpet of his future spreads out in a long and rich profusion. While there are plenty of heartbreaks in the legal profession it is a bountiful patron to those who achieve high place. The element of uncertainty almost disappears when the heights of eminence are reached. Sir Donald has two unusual assets. He has an easy and attractive smile, and he has a natural courtesy which must be instinctive since it never fails him. It is always interesting when Sir Stafford Cripps takes him on concerning a point of law. Cripps attacks with an almost contemptuous self-assurance. Somervell smiles and parries as if it is a delight to take on so skilled a swordsman. Nor does the Socialist, excellent lawyer that he is, always win. Behind the debonair manner of the Attorney General is a fine grasp of the law. Although he does not parade them he is not without his trophies.

Sir Donald imbibed his learning first at Harrow and then at All Souls. From his earliest days he was known as a decent fellow by his contemporaries. This somewhat negative appraisal might have indicated that he lacked character and would not go very far. Curiously enough he is still looked upon as a decent fellow and by his contemporaries in the House of Commons, although no one would deny that he has gone very far indeed. Actually there was considerable sympathy for him, inspired by a feeling that he had been embroiled in a fight where the principal protagonists would have preferred a contest under the "no foul" rule. I cannot remember any other occasion where the layman's sympathy was for the lawyer.

I trust that I am not giving away an official secret when I here suggest Sir Donald has no great love for the Official Secrets Act. This loosely administered Act was passed by Parliament many years ago in one of its lethargic moments. The original intention was that it should be a medium for uncovering spies and enemies of the State. In practice, it has become a weapon in the hands of overzealous authorities, who use it in the place of existing laws and consider no offense too slight for its application. So comprehensive is the Act, indeed, that I am not certain that if I enquired at the Foreign Office if Lord Halifax were in and received an assurance that it was even so, I would not be forced to disclose the identity of my informant and that he, in turn, would no doubt be sent to the Tower.

Sir Donald is not a fiery reformer, but he would win the gratitude of Parliament if he would mark the Official Secrets Act "For Spies Only" and let it rest in peace.

* * *

Back from Spain

Some men are like mirrors that catch the flash of events and, in turn, give out a reflection more blinding than the flash itself. Sir Robert Hodgson, who has just come from Spain to report to the Government, does not belong to that category. Almost throughout his career he has been in the very centre of electric political storms, but his personality remains a non-conductor. In his presence the lightning goes to earth. That is probably why the public are not conscious of him save as a man. In these days of arc lights, loud speakers and movie cameras the spectacular is overvalued and solid worth takes second place to personal projectibility.

Sir Robert, who is 64, was born in the atmosphere of the cloisters. His father was the Venerable Archdeacon of Stafford, which probably accounts for the almost clerical serenity of Sir Robert's face. On the other hand, his mother was an American, which may account for his penchant for turning up in places where something is happening.

He took his M.A. at Cambridge and three years later was appointed Vice Consul at Marseilles, where strange ships and stranger men leave and arrive by day and night. After six years of dealing with the human problems of British subjects in the famous French port, he left for Vladivostok, which had become a storm centre of the Far East. He remained there for 12 years, from 1907 to 1919. It was not, however, until after the war that he first became news. In 1924, he was appointed Charge d'Affaires at Moscow, in a period when Anglo-Russian relations were uncomfortably strained. His hosts paid him the compliment of subjecting him and his staff to an espionage which was thoroughness itself. Actually, Sir Robert protested privately and then publicly, but without result. He actually discovered a maidservant in his house had been ordered to spy on him and had been threatened with death if she revealed the fact that she had been approached.

COUNT CIANO

This impossible situation could only end one way and the British Mission was withdrawn. The Bolsheviks, however, determined to play the last card. In one of their unique trials a prisoner confessed that Sir Robert Hodgson had been a British spy and gave details as voluminous as they were fantastic. Sir Robert issued a complete denial and under pressure from London the Bolshevik Government apologized.

Sir Robert then had a siesta in Albania, although it would have seemed hectic enough to anyone else. Two years ago he retired, but was called up again to take the post of British Agent to General Franco. It is said by his friends that Sir Robert has only two hobbies—watching football matches and watching trains. Perhaps, in the last few months he has added to them the hobby of watching airplanes.

* * *

Mussolini's Successor

If the bombing of British ships in Spanish waters comes to an end some of the credit will have to go to Count Ciano. As Italy's Foreign Minister, he has shown a keen desire to co-operate with Lord Perth in any way that would end Spanish hostilities and hasten the ratification of the Anglo-Italian Pact. If, admittedly, Count Ciano visualizes a Franco victory as an essential condition to the end of fighting in Spain, it does not alter the sincerity of his desire to have it finished with.

It is, therefore, not unnatural that the British people are showing a rising interest in this young man of 34, who is allowed a greater measure of authority and a more generous prominence than are customary in a dictator governed state. For some time, in fact, returning political pilgrims from Rome have said that Signor Mussolini is grooming his 34 year old son-in-law to be his successor. If this is so, it indicates a change in Signor Mussolini's attitude, for he has always declared that Napoleon's decline started from the day that he placed his relatives on thrones. On the other hand, if Napoleon had confined his dynamic dreams to France, he might have established a line as successful as his Marshal Bernadotte in Sweden.

* * *

Il Duce's Daughter

Rome believes that Il Duce has abandoned any political plans for his two sons, who are vigorous and daring young men, but show none of the qualities which win the battles of politics. On the other hand, Count Ciano is not only astute and experienced but is married to the Dictator's favorite daughter, Edda. The Countess is credited with a shrewdness and purposefulness in political matters that are at all times the admiration and sometimes the envy of her father. They say that her ambition recognizes only the limitations of the stars and that her influence on both her father and husband is enormous. If all this is true, Count Ciano bears up very well from the ordeal of being caught between two such cyclonic forces. If he succeeds Signor Mussolini, there will be more than mere relationship. Like his father-in-law, he was a journalist. If printer's ink does not exactly flow in their veins, it has played no small part in molding their characters.

Count Ciano was appointed Minister of Propaganda in 1934. He modelled his department on that of Dr. Goebels, whom he greatly admires. It is true that he came under criticism for failing to put Italy's case successfully to the world when the Abyssinian crisis occurred. Count Ciano, however, recovered his prestige by taking charge of the Italian Air Force in Abyssinia and, it is officially recorded, covered himself with glory. From that to a member of the Fascist Grand Council and Foreign Minister were steps that could be foreshadowed. Count Ciano has an attractive personality and charm of manner. If he is an open admirer of the Nazi regime he is also imbued with the desire for Anglo-Italian friendship. If it is possible for a dictator to name his successor—and to have the nomination carried out—then Count Ciano will start with far more friends than enemies in foreign countries.

Copyright, 1938, The Financial Post and The Sunday Times, London.

Metropolitan Commission Net General Debt Lower

From Our Own Correspondent

MONTREAL. — The Montreal Metropolitan Commission reports a reduction of $564,700 in 1937 in the net general debt of the 11 solvent municipalities under its jurisdiction.

Net general debt of the 11 autonomous municipalities as at Dec. 31, 1937, amounted to $19,753,767, which figure gives a ratio of 9.46% of the assessable value of properties. The net general debt is after deducting sinking funds, the excess of current assets over current liabilities and unmatured local improvement assessments and other self-liquidating debts. Sinking funds as at Dec. 31, 1937, amounted to $10,893,872.

Bankrupt Municipalities

The Metropolitan Commission also administers the affairs of three bankrupt municipalities—Pointe aux Trembles, Montreal North and Ville St. Michel. The 11 solvent municipalities under its jurisdiction contribute toward the deficits of these municipalities.

Deficits of the three bankrupt municipalities totalled $484,238 in 1937. Deficits accumulated to the end of 1937 total $7, 329,841. Of this amount, Pointe aux Trembles has accounted for $3,032,279, Montreal North $1,515,072 and Ville St. Michel $2,782,489.

Surplus on Current Account

Aggregate income from current taxes exceeded expenditure for the year by $172,450, each of the 11 solvent municipalities reporting a surplus. Current revenue for the year amounted to $7,653,656 while current expenditures amounted to $7,481,206.

Arrears of taxes of the 11 solvent municipalities were reduced during 1937 by $112,222 to $2,127,189. Westmount, Verdun, Montreal East, Montreal West, Town of Mount Royal, Ville La Salle and Ville St. Laurent reduced arrears of taxes while arrears increased in Outremount, Lachine, Ville St. Pierre and Hampstead.

Two Postal Telegraph Plans Being Prepared

A second reorganization plan for Postal Telegraph Cable Corporation has been prepared by a group of bondholders represented by P. E. Jackson, as counsel, which is now seeking permission of the U. S. District Court to intervene in the proceedings to get the plan before bondholders. This latest group is understood to represent about $2 millions in principal amount of bonds, out of the $50.7 millions of Collateral Trust Bonds and debenture stock outstanding.

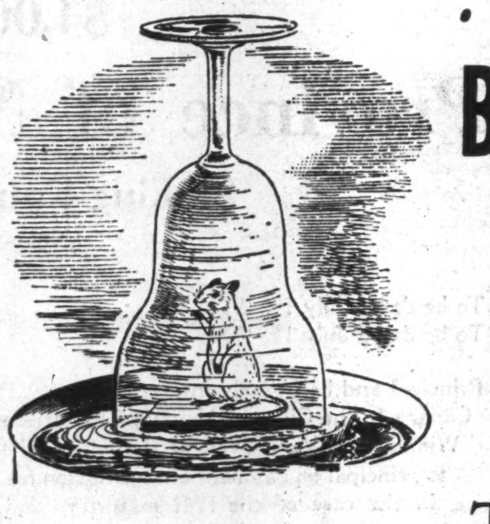
The Lehman Committee, representing about $25 millions of the bonds and debentures, is also working on the final stages of a plan which may be in shape for submission within the next few weeks.

ARE you checking credits or are you just lucky?

With the existing uncertainty in business, why expose your accounts receivable to needless risks? Our Maturity Account Service provides for the payment to you of all outstanding accounts, ten days after due date, whether or not your customers have paid.

Upon request, one of our representatives will call on you without obligation to you.

James Talcott of Canada, Limited
Factors
1470 PEEL ST. MONTREAL



Some of Priestley's apparatus for studying the composition of the atmosphere. A tall beer glass, a mouse and "something on which it may conveniently sit, out of reach of the water."

...of mice and Bleaching Agents

"... but I fancied that my breast felt peculiarly light and easy for some time afterwards. Who can tell but that, in time, this pure air may become a fashionable article of luxury? Hitherto only two mice and myself have had the privilege of breathing it."

Thus did Priestley describe his experience after breathing relatively pure oxygen which he discovered and quaintly referred to as *"pure air"* or *"dephlogisticated air."*

This discovery of oxygen, as existing free in the atmosphere, and its isolation, was epoch-making in that it made possible a wider application of this most useful of chemical elements. Priestley himself, *"after ascertaining the superior goodness of dephlogisticated air by mice living in it,"* recommended its use in medicine forecasting its modern application in the treatment of pneumonia and gas poisoning.

Since that time, Industrial Chemistry has found many ways of making more efficient use of *"dephlogisticated air."* All textile fibres must be bleached if a pure white fabric or one dyed to a delicate shade is wanted. To effect such bleaching it was long the practice to expose the cloth to sunlight and air on grassy meadows. This process required from four to six months. With the knowledge, however, that it is the oxygen in the air which is the active principle in the bleaching process came the possibility of carrying out the bleaching under controlled conditions, without the necessity of large tracts of land and without depending on the vagaries of the weather. Thus the length of time necessary for bleaching was reduced from several months to a few hours and cloth with a pleasing appearance became more readily available. Chemistry, again, had changed a luxury into a commonplace.

In order to make use of oxygen for bleaching purposes certain chemicals known as bleaching agents are required. Industrial Chemistry now provides a variety of these, suitable for the bleaching of many kinds of material including all types of textiles.

Canadian Industries Limited serves various industries with a complete range of bleaching agents, available through stock points strategically located from coast to coast.

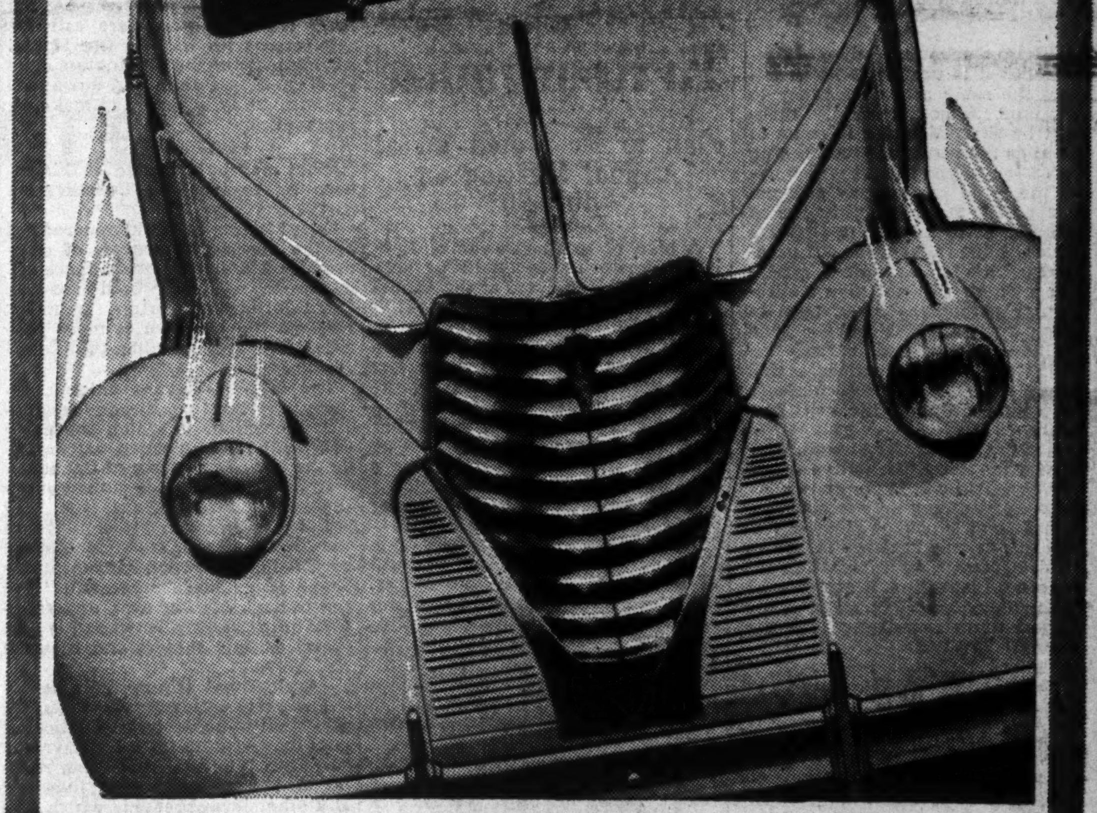
C-I-L

A FATHER'S Obligations

How often do you meditate on the future of your children? Not for tomorrow or next week, but five, ten or twenty years from now. You of course, want to do everything possible to make their lives secure.

A trust fund can be a bulwark for your children in the years ahead. We should like to talk with you about our services as trustee of such a fund.

Crown Trust Company
Executors :: Trustees :: Financial Agents
MONTREAL 393 St. James Street
TORONTO 80 King Street West
Let us serve you and your family



SMOOTH AS AN EIGHT
POWERFUL AS AN EIGHT...BUT
THRIFTY BECAUSE IT'S A SIX!

When you drive a new Oldsmobile 95 h.p. Six, you will be particularly impressed with its flashing pick-up—its exceptional smoothness and flexibility at every speed—and its great reserve of power. Here is the spirited performance comparable to an Eight—combined with the proved economy of a Six in gasoline, oil and upkeep. And you'll find the Oldsmobile "6" is priced just a little above the lowest—giving you today's top value among fine cars. So arrange today with your Oldsmobile dealer for a trial drive. Learn for yourself why Oldsmobile is famous as "The Car That Has Everything."

LOW MONTHLY PAYMENTS ON THE GENERAL MOTORS INSTALMENT PLAN.

OLDSMOBILE
PRICED JUST ABOVE THE LOWEST

Investment Trends

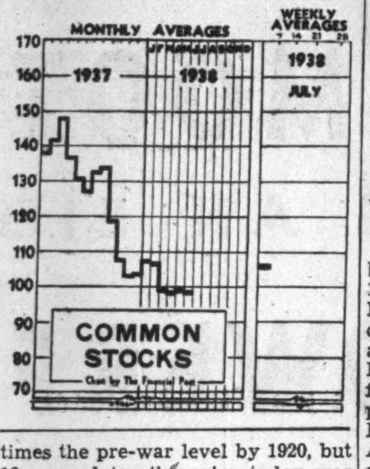
Profit Taking Gives Uncertainty to Market

Exuberant Moves Needed Tempering — Economist Sees Need to Watch Commodity Trends But Stocks Attractive

The past week has seen prices for stocks in this country and the United States decline in an irregular pattern for most of the week although turning up again on July 12. Volume of trading has lessened to some extent but exchanges continue comparatively active.

One interesting explanation has been advanced for the irregularity of stock movements in New York. It was claimed that the large U. S. investment trusts were active buyers of stocks when they saw the end of the half year approaching and they were still holding large sums of cash. In order to show a more fully invested position when the date for the half year reports came around, large orders were placed to buy stocks without a great deal of discrimination.

Now that the day of reporting portfolios as at June 30 has passed, these same investment trusts were said to be large sellers about the middle of last week when turnover reached a peak of about 2¾ million shares. Other reports indicate that British selling, apparently to take profits, had been an influence in restraining the uptrend. While this supposedly informed selling is taking place, public participation has grown rapidly.



* * *

Temper Exuberance

Some tempering of the exuberance of spirits shown in the early stages of the June movement seems reasonable, although a reversion to the melancholy of a few weeks ago does not appear justified. Convincing evidence of strong support for the market at around present levels has yet to be demonstrated and the normal correction of the rapid upswing is quite possibly not yet completed. Demonstration of ability to withstand adverse news would be encouraging.

It is not hard now to find signs, perhaps a bit indefinite, of encouragement in the business outlook. Businessmen report that the change in sentiment, generated by the stock market, has been quite marked. Further encouragement is lent by the action of commodity prices. For example, wheat prices have been considerably stronger. Bacon hogs are another example of an item important to Canada where current prices are at levels not attained for some years. Many other commodities vital in the Canadian economy, such as the base metals, have shown good improvement over the past few weeks.

* * *

What Capital Profits Mean

Average advance in market values of 10 low-priced Canadian stocks, including Abitibi preferred, Alberta Pacific Grain preferred, C.S.L. preferred, Cockshutt Plow, Consolidated Paper, Dosco B, Massey-Harris common, Price Bros. common, St. Lawrence Corp. and Gypsum, has been 126.4%, "equal to more than 21 years' interest at 6%," according to F. H. Deacon & Co., Toronto.

In a letter dated July 11, this firm says:

"These stocks may advance further but it is unreasonable to expect the same rate of advance to continue. Almost certainly there will be sharp declines in some of them as the result of profit taking by earlier buyers. Those who missed the large profits may still get fair profits from the purchase of sound dividend-paying stocks which have advanced comparatively little from bottom quotations. These will not give a spectacular percentage of advance in price but will give buyers good dividend yields, and, barring international complications, will likely show 20% to 30% increase in principal during the next two years.

"Others may prefer to wait, hoping for the more speculative stocks to be available at lower prices.

"It takes a long time to accumulate a large block of securities at low quotations. Patience is said to be as necessary as information for successful investing. It can only be luck as purchases are made at the very bottom just before the big advance begins."

* * *

Watch Commodity Trends

Future investment policies should place great importance on the trends of commodity prices, says The Economist of London. With regard to Great Britain, they conclude that the population of that country and other western countries will soon cease to expand and probably begin to decline.

Companies engaged in industries that advanced fast, owing more to the increasing numbers than to the rising standard of living of the population, will have a lessened attraction in the future. New inventions and progress in other matters may, however, be powerful to prevent a decline in national income and even to produce a further long term rise in prosperity. This, concludes The Economist, places even greater emphasis on the trend in commodity prices.

The last three decades, however, says The Economist, have been characterized by singular lack of success for all measures which might have been expected to produce a permanent price rise. This has reference to the aftermath of the war which carried prices to about three times the pre-war level by 1920, but 10 years later the price index was actually lower than in 1914. Current devaluation since 1931 has doubled the value of the world's gold reserves, but prices after a moderate recovery are again falling.

* * *

Common Shares Attractive

There is a basis existing in the huge gold reserves and credits available in the world today which, properly used, would be powerful enough to force a rising price trend in spite of other restraint which might be applied. This would be accentuated if budgets of the world's countries continued to be out of balance and state expenditure inflated. In that event, commodity prices would be a stimulation to, rather than a brake on, rising equity values. The Economist concludes:

> "Even if the long term trend of share prices fails to maintain indefinitely the exceptionally rapid upward course of the last 30 years, its general direction is still likely to be favorable. The ordinary share has a substantial claim on the attention of serious investors."

Loblaw Inc. To Reorganize

Plan to Be Voted on at Annual Meeting on July 29

A plan of reorganization of Loblaw Groceterias, Inc. will be submitted to shareholders at the annual meeting to be held in Buffalo, N.Y. on July 29.

This is the second reorganization effected by the company in the same number of years. During the fiscal year ended Apr. 30, 1937, a capital reorganization was effected, whereby the capital impairment of $1,365,738 was eliminated, leaving a balance in surplus of $57,483.

Sales of the company for the year ended Apr. 30, 1938, totalled $10,264,048, as compared with $9,090,291 in the previous fiscal year, an increase of 12.91%.

Net profit from Buffalo operations amounted to $236,708 in 1938, as compared with $252,018 in 1937.

All outstanding mortgages of the company, which were shown in the balance sheet at Apr. 30, 1937, at $270,000, were paid off during the year.

A total of $7 was paid on the accumulated preferred dividends, so that dividends on the preferred stock are now paid to Apr. 30, 1930.

Inventories increased to $930,544 in the 1938 fiscal year, from $849,055 in 1937.

Investment in and advances to Shield Foods, Inc., a subsidiary, amounted to $42,500.

Loblaw Groceterias, Inc., operates a chain of 87 stores in the United States, 75 being in New York State and 12 in Pennsylvania.

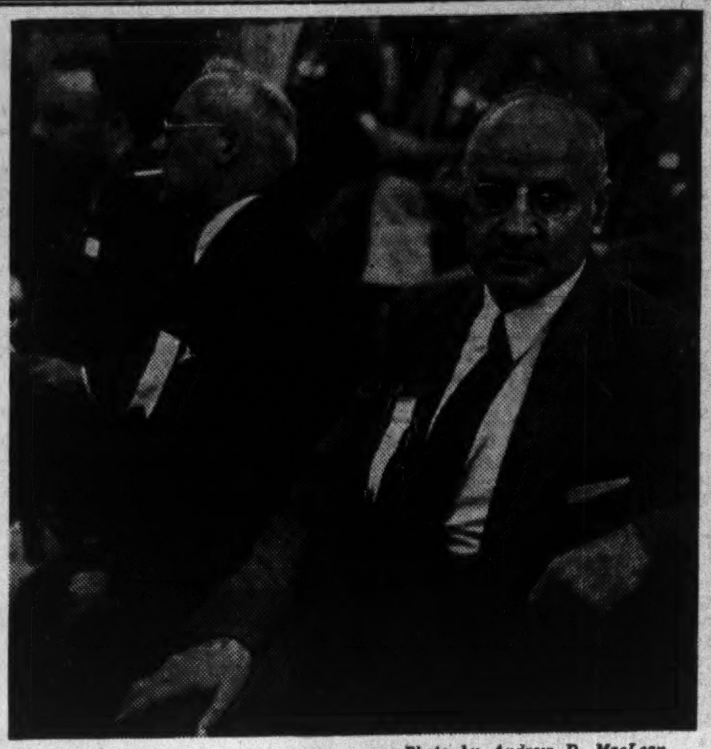
Income and Surplus Account
Years Ended Apr. 30

	1938 $	1937 $
Net trading profit* ...	264,152	302,002
Less: Income taxes ..	27,444	49,984
Net profit	236,708	252,018
Less: Pref. divds.	171,640	168,126
Surplus for year	65,068	83,892
Add: Previous surplus	57,483	3,854
Chicago ware. adj. .	157,238	......
Prior yr. adjusts. ..	4,959	13,378
Less: Prior inc. tax ..	6	......
Chicago real. deficit	73,484	43,641
Surplus forward	211,259	57,483

*From Buffalo operations.

Working Capital

	1938 $	1937 $
Current assets	1,200,988	1,098,583
Current liabilities	306,323	316,516
Working capital	894,665	782,067



—Photo by Andrew D. MacLean.

Hon. H. H. Stevens—a lonely but potent figure.

Manion-Stevens Entente

(Continued from page 1)

been active in federal politics since 1917, when he successfully contested Fort William riding, as a Unionist candidate. Prior to serving five years as Minister of Railways, under Rt. Hon. R. B. Bennett (1930-35) he was for short periods Minister of the Department of Soldiers Civil Re-establishment and Postmaster-General. A surgeon by profession, he went overseas and served with the French and Canadian Army Medical Corps.

Colorful, fiery, a born fighter, "Bob" Manion will have perhaps a year to repair broken fences before the next election. His leadership qualities will seemingly be tested in his ability to win and subsequently control the temperamental Quebec bloc and the restless "protest" vote which the party seems determined to cultivate. For this job his political understanding of the masses and his religious and social background should prove a valuable aid.

Mr. Bennett Hangs On

Undoubtedly the job of choosing a leader was hindered and complicated by the astonishing behavior of Mr. Bennett. Despite his resignation two months previously and his final emphatic statement of withdrawal at a complimentary dinner a week prior to the convention, there is no doubt that his position was uncertain up until the very last minute on nomination day. It seems certain that he was greatly disappointed that delegations did not wait on him and press him to reconsider his resignation.

Normally the retiring leader should have played an important part in aiding the party to find a new chief. Not only did Mr. Bennett actively oppose the Manion candidature, but his hesitancy to finally withdraw made it embarrassing for other aspirants who were actively associated with him in the House. During most of the nomination proceedings he sat glum and downcast. On voting day he failed to make an appearance.

Party Policies

What may be expected of this reborn or rejuvenated Conservative party?

Out of 16 resolutions hammered out by the democratic process of compromise and emasculation, there are burnt-offerings for both old-line and reformist supporters. In many respects the platform is more specific, less vague, than the 1927 edition.

The Manion-Stevens entente, already referred to, will doubtless decide the extent to which the party will, in the next election, attempt to be the New Deal party of Canada.

If Dr. Manion does subsequently link with Mr. Stevens, the way will be open for a broad move to the "left," although Dr. Manion in personal conservation has repeatedly urged himself as "progressive" but not radical. He has even differentiated quite sharply between his own views on this subject and those of Mr. Stevens.

Agriculture, Mining, Taxation

The party policy for agriculture is also open to broad interpretation. It puts the party on record as favoring "a policy for the distribution, regulation and marketing of livestock and other farm products which will tend to stabilize prices so that the farmer may be able to plan his operations with reasonable security."

Although the party adopted a strong resolution urging tax reduction, removal of governmental waste and overlapping, lower taxes, tax relief for real estate, and "respect for contractual obligations," Dr. Manion in his nomination paid no attention to the nation's tax or debt problems. Whether he intends to win business support by stressing sound tax and fiscal policies remains to be seen.

One suggestion is that substantial "business" support may be forthcoming for the Manion-Stevens leadership on the ground that only by bringing the "protest" vote under the Conservative wing can the party hope to make progress at the polls and head off the growth and development of third-party or fascist trends.

Mining (which Dr. Manion mentioned especially, when he accepted leadership) will doubtless support and be supported by the party. The party platform is very definite in its stand against discriminating taxation, etc. for the industry.

The Quebec Situation

What will happen in Quebec is still far from clear.

Although Dr. Manion won substantial support from the Quebec delegation through shrewd bilingual George Heon, there is much scepticism as to whether he will as easily gain the support of the rank and file of French-Canadian voters.

Certainly the Quebec bloc made the most open, aggressive assertion of sectional rights yet witnessed in Canadian politics.

Although hopelessly beaten by a standing vote on the floor of convention on the war referendum question, they managed to block constitutional amendment. This was a long-drawn struggle, which delayed the presentation of the resolutions until the last morning of the meeting and led to a compromise whereby the party refuses to commit itself in advance of a pronouncement by the Rowell Commission.

Though this amendment should effectively stem the current Conservative abuse for Royal Commissions, it may conceivably prove a highly important and constructive step toward the goal of national unity by giving the party an eventual common bond with Liberalism against the rising tide of provincialism.

Controlling the "Clique"

Certainly, developments in Quebec will play a large part in making or breaking Dr. Manion's personal fortunes as leader of the party.

Can the new leader control the minority "clique," which played so large a part in putting him in office? If he does, what effect will this have on Premier Duplessis?

These are portentous questions on which may hang the answer to grave matters of racial strife and antagonism, which many feel are assuming crisis proportions in this country at the present time.

If Quebec is bluffing it will take a strong man to call that bluff. It may take an even stronger man to work quietly toward a successful solution.

Youth Does Well

Youth made a definite and constructive contribution to the convention.

Apart from some provincial groups in one or two provinces, there has been no live, thriving organization of young Conservatives. In the short time since Mr. Bennett's resignation last May, a start has been made to create a nation-wide permanent organization under aggressive young Gordon Ford, of Toronto.

Many of the Young Conservative resolutions were more clear-cut and constructive than those of their elders—despite the fact that they emerged from equally grave tribulations of sectional difference.

Railway Problem

The railway problem created bitter discussion, but found the Tories clinging firmly to the negative and hoary "non-unification" platform. An original resolution drafted for submission took a broad national view of the grave problem but found little support once it met the sweeping attacks of some of the western delegates.

Considerable support was given to a motion for "enforced co-operation" and a milder plan of similar type suggested by Hon. C. H. Cahan. But nothing came of it.

Tariff and Fisheries

Little change of importance emerged from the final resolution on tariff policy except that there was general agreement on a policy of quid pro quo for the West by urging restoration of the Wheat Board Act of 1935, which gave minimum prices to western grain growers.

Similar aid to the fisheries was appproved "equal, at least, in extent, character and effectiveness, to that given any other natural products industry in this Dominion."

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 9	Total utilities 19	Total co's. 96
1929-37:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	205.4	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1938:												
Jan.	109.6	18.9	87.2	194.9	64.3	158.7	116.1	138.4	64.4	84.3	48.7	107.7
Feb.	109.3	17.5	88.9	195.2	64.8	159.9	115.0	131.4	63.1	81.8	46.8	107.1
Mar.	100.7	14.6	76.5	181.2	60.3	152.0	101.3	116.0	58.2	80.5	43.1	99.2
Apr.	103.2	15.4	75.6	172.0	55.0	151.5	106.0	119.4	59.7	80.4	43.7	97.9
May	107.2	15.7	85.8	177.2	54.5	153.6	107.5	122.5	61.0	80.9	44.5	99.7
Weekly Figures, 1938:												
June 2 ..	104.0	14.2	81.1	173.3	52.4	151.2	106.9	118.1	59.2	80.7	43.4	96.1
June 9 ..	104.6	14.6	82.1	169.5	52.3	152.1	107.4	119.5	59.4	80.2	43.7	95.9
June 16 ..	104.7	14.2	82.5	163.3	53.0	153.4	106.7	119.3	59.4	80.3	43.7	95.1
June 23 ..	106.8	16.7	87.0	170.0	55.5	157.2	107.6	126.1	60.9	80.4	44.8	99.3
June 30 ..	117.3	20.5	88.1	174.8	56.9	160.8	111.9	135.1	63.1	83.5	46.4	103.4
July 7 ...	122.7	23.4	88.9	177.4	59.0	164.5	114.4	141.2	66.7	85.0	48.9	106.8

*High and low for years from 1929 to 1937 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O
July 12	121.68	119.13	89.63	36.15
July 11	120.66	119.44	88.73	36.12
July 9	121.21	119.43	89.61	36.48
July 8	121.54	118.79	89.72	36.83
July 7	122.05	118.63	90.04	37.15
July 6	122.46	118.98	90.16	38.20
Month ago	108.18	117.56	78.28	32.28
Year ago	165.87	121.31	105.37	61.54
High, 1938	126.85	125.85	90.16	50.85
Low, 1938	97.66	102.06	64.47	31.40

Montreal Stock Exchange Averages

	10 Util.	20 Indus.	30 Comb'd	15 Golds
July 12	67.7	81.7	77.1	120.96
July 11	68.3	80.6	76.5	120.73
July 9	68.4	81.0	76.8	121.15
July 8	68.4	80.9	76.7	120.70
July 7	68.9	81.9	77.5	120.42
July 6	69.0	82.2	77.8	120.04
Month ago	62.5	68.4	66.4	122.71
Year ago	79.8	108.1	98.7	110.97
High, 1938	69.3	83.2	78.5	130.77
Low, 1938	59.1	[illegible]	[illegible]	103.06

INVESTMENT SECURITIES

NESBITT, THOMSON & COMPANY, LIMITED
355 St. James Street West, Montreal
Branches in the principal cities of Canada

Sun Life Favors Bonds

44% of Assets Now in Bonds; Only 17% in 1932—Changes of Wide Interest

From Our Own Correspondent

MONTREAL.—A marked change in the investment of the Sun Life Assurance Co. of Canada is disclosed by information submitted by the company to the Massachusetts Insurance Department. The report shows that during 1937 there was a continued switch from stocks to bonds and at the end of the year 44% of the company's admitted assets were invested in bonds, compared with 17% at the close of 1932.

Sun Life discontinued the inclusion of its security holdings in its annual statement in 1932. However, in compliance with the insurance laws of the states in which it is licensed to do business, the company makes comprehensive annual reports to the respective state insurance departments.

During the last five-year period, the change in the investment portfolio has been quite marked, as shown in the following table.

Bonds	1937 $	1932 $
Government	153,203,285	40,071,998
State, etc.	51,744,597	13,278,804
Railroad	41,676,749	4,976,104
Public util.	84880072	24,722,019
Indus. & misc.	37,795,282	24,837,008
Stocks		
Railroad	3,496,668	2,658,732
Utilities	127,069,693	161,371,364
Indust., misc.	122,021,278	121,693,940

Hold Rail Stocks

The changes in bond and share holdings in 1937, as compared with 1936, are not without interest. The report of the Massachusetts Insurance Department shows that there has been no change in the common stock holdings of either Canadian or U. S. railways.

In general the company's holdings in public utilities show little change, except for Commonwealth Edison. Shareholders in that company increased from 36,479 shares in 1936 to 145,916 shares at the end of 1937.

Apparently the Sun Life's confidence in Canadian utilities is not as great as in U. S. utilities, for the list shows a small decline in the holdings of domestic utilities.

Less Imperial Oil

The stock showing the greatest change was Imperial Oil Ltd. Bearer shares were increased 117,450 shares to a total of 211,230 at the close of 1937. However, during the same period the company disposed of 231,550 registered shares. Part of this loss may have been accomplished by conversion, but, in any event, it held 114,100 fewer shares of Imperial Oil at the close of 1937 than in 1936.

Other changes noted among the holdings of Canadian industrial and miscellaneous stocks include a drop in the number of B. A. Oil shares held from 101,350 to 68,555; all of the company's common stock holdings of Canadian Cottons were liquidated during the year.

Receive Free Stock

A new item among the company's stock holdings in 1937 was 111,688½ shares of Consolidated Paper common. This stock was received by the Sun Life as a result of the stock distribution to the holders of bonds, of which the Sun Life holds a large proportion.

Particulars of the principal common stock holdings follow:

Railroads—Canada	1937 Shares	1936 Shares
Candn. Pacific Rly. ..	25,672	25,672
United States		
Ill. Central	3,300	3,300
N. Y. Central	3,368	3,368
Norfolk & Western ..	3,900	3,900
Penn. Railroad	3,418	3,418
Union Pacific	3,800	3,800
Total railroads	43,458	43,458
Public Utilities—Canada		
Bell Telephone	17,204	24,246
Brazil. Traction	38,442	53,800
Montreal Power	440,396	456,586
Shawinigan	15,000	15,000
Stormnnt El. Lt. & P.	1,500	1,500
Total Caanada	512,542	551,132
United States		
Amer. Gas & Elec. ...	68,146	68,146
Amer. Lt. & Traction	26,300	26,300
Amer. Power & Lt. ..	29,270	29,270
Amer. Ttl. & Tel.	117,650	117,650
Boston Edison Elec. ..	6,088	6,088
Columbia Gas & El. ..	84,694	86,294
Commonwealth Edison	145,916	36,479
Consol. Edison	297,313	297,313
Cons. Gas. of Balto. ..	19,656	19,656
Detroit Edison	60,921	60,921
Elec. Bond & Sharae .	57,755	63,755
Int'l. Tel. & Tel.	98,275	98,275
North Amer. Co.	103,709	103,709
Pacific Gas & Elec. ..	131,898	131,898
Pacific Lighting	12,640	12,640
Pub. Serv. of N. J. ..	180,098	180,098
South. Calif. Edison .	96,513	96,513
United Gas Improvm't.	94,800	94,800
Western Union	100	100
Total U. S.	1,631,742	1,529,905
Industrial & Miscellaneous—Canada		
Asbestos Corp.	7,705	12,375
British Amer. Oil	68,555	101,350
Candn. Cottons, Ltd. .	......	3,165
Candn. Westinghouse.	478	828
Consol. Paper Corp. ..	111,688½	......
Dominion Glass	1,180	2,100
Dominion Textile	26,000	27,958
Imperial Oil, reg.	141,450	373,000
Do., bearer	211,230	93,780
Imperial Tob. of Can.	119,140	193,340
Int'l. Petroleum	74,750	74,750
Montreal Cottons, Ltd.	350	350
Ogilvie Flour Mills ...	2,000	2,000
Penmans, Ltd.	7,394	7,394
Sher.-Wms. Co., Can..	275	275
Steel Co. of Can.	14,067	15,067
Total Canada	786,262½	907,732
United States		
Air Reduction	16,800	16,800
Alum. Goods Mfg. Co.	10,490	10,490
Amerex Holding Corp.	1,200	1,200
Amer. Can Co.	13,900	13,900
Am. Rad. & Std. San.	88,000	88,000
Am. Tobacco	1,000	1,000
Do. B	34,600	34,600
Borden Co.	110,786	110,786
Burroughs Add. Mach.	17,925	17,925
Columbia Oil & Gas..	13,500	13,500
Corn Prod. Refin.	109,400	109,400
du Pont	14,276	14,276
Gen. Am. Transport'n.	30,717	30,817
Gen. Baking	37,650	37,630
Gen. Eec.	286,600	290,100
Gen. Foods	4,100	4,100
Gulf Oil Corp. of Pa.	90,000	103,300
Humble Oil & Ref. ...	24,700	24,700
Ingersoll-Rand	3,000	3,000
Inland Steel	10,200	10,200
Int'l. Business Mach. .	18,275	17,500
Int'l. Harvester	42,500	50,000
Johns-Manville	16,100	16,100
Kroger Groc. & Bak. .	13,555	13,555
Liggett & Myers Tob.	800	800
Do., B	37,300	37,300
Nat'l. Biscuit	5,750	5,750
Nat'l. Cash Reg., A ..	33,840	33,840
Nat'l. Lead	88,000	88,400
Nat'l. Supply (Pa.) ..	19,000	12,400
Nat'l. Tea	......	2,300
N. J. Zinc	12,700	13,100
Otis Elevator	33,200	33,200
Owens-Ill. Glass	4,500	4,400
Pittsburgh Pl. Glass .	3,500	3,500
Reynolds, R. J., Tob., A	67,100	67,500
St. Regis Paper	381,100	381,100
Simmons Co.	20,770	21,770
Standard Brands Inc.	62,200	62,200
Std. Oil of Calif.	47,130	47,130
Std. Oil of Indiana ...	68,300	68,300
Std. Oil of N. J.	70,000	82,000
Std. Oil of Ohio	420	420
Texas Corp.	20,786	17,817
Un. Carbide & Carbon	99,200	107,400
United Fruit	33,480	34,580
United Shoe Mach. ..	24,200	28,240
Westingh'se. Air Brake	5,300	10,000
Westingh'se. El. & Mfg.	6,075	6,075
Yale & Towne Mfg. .	6,334	6,334
Youngst. Sht. & Tube	17,440	17,440
Total U. S.	2,177,699	2,226,995
Total U. S. & Can. .	2,963,961½	3,134,727
Total all com. stks. .	5,218,729½	5,326,327

City of Montreal

New Issue

City of Montreal
4% Bonds
Due December 1st, 1946
(Non-callable)

Denominations: $1,000 and $500.

Price: 100 and interest.

Descriptive circular including financial statement upon request.

Montreal is Canada's largest city exceeding in population six of the nine Canadian provinces. It is of outstanding importance in the industrial, commercial and financial life of the Dominion.

The City reported a revenue surplus, apart from relief, for the fiscal year ended April 30th, 1938, and estimates for the current year also provide for a balanced budget.

Wood, Gundy & Company Limited
Toronto Montreal London, Eng. Ottawa Hamilton Winnipeg Vancouver London, Ont.

A. E. OSLER & COMPANY
Established 1886
MEMBERS TORONTO STOCK EXCHANGE

Inquiries invited regarding Canadian Industrial and Mining Investments. We specialize in the Dividend Paying Gold Mines and in new gold mining properties under present active and encouraging development.

Osler Bldg., 11 Jordan St., Toronto
Long Distance 'Phone ADelaide 2431. Cable RELSO.

CANADIAN FUND

Prospectus of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

CALVIN BULLOCK, LTD.

Investment Notes

Page-Hersey Tubes—Improvement was shown in second quarter business as compared with the first quarter of this year, and a slight upward trend was noted in sales. Current dividend has been earned for the six months period. Inventories are now below normal and working capital has been increased while the current government housing programme should assist the company in holding its present sales volume during the autumn months, according to C. L. Dunbar, president.

* * *

Waterloo Manufacturing—Annual report of the company for 1937 is expected to appear later this month. It is likely that some improvement in operating results will be shown, although it is not known yet whether there will be an operating profit. The company has not been able to show a net profit in any of the past seven years, and in 1936 had an operating loss of $87,398 which, after deducting various charges and expenses, became a net loss of $136,554 for the year.

NEW ISSUE

$4,000,000

Province of New Brunswick

Sinking Fund Debentures
(Non-Callable)

To be dated July 15, 1938 3% To mature July 15, 1941
To be dated July 15, 1938 3½% To mature July 15, 1946

Principal and half-yearly interest (January 15 and July 15) will be payable in lawful money of Canada in the Cities of Halifax, Charlottetown, Saint John, Fredericton, Montreal, Toronto, Winnipeg or Vancouver, at the option of the holder. Coupon debentures, registerable as to principal on payment of registration fee, will be available in the denomination of $1,000 in the case of the 1941 maturity, and in the denominations of $500 and $1,000 in the case of the 1946 maturity.

Legal Opinion: Messrs. Long & Daly

Information regarding the financial position of the Province will be found in the official circular which is available on request.

PRICES:
1941 Maturity: 100.00 and accrued interest, to yield 3.00%
1946 Maturity: 98.29 and accrued interest, to yield 3.75%

Subscriptions will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close subscription books at any time without notice.

We offer these debentures on behalf of the Province of New Brunswick if, as and when issued and received by us, subject to the approval of Counsel. It is expected that debentures in interim form, exchangeable for definitive debentures when available, will be ready for delivery on or about July 25, 1938.

Bank of Montreal
The Royal Bank of Canada
The Bank of Nova Scotia
The Dominion Bank
The Dominion Securities Corporation, Limited
A. E. Ames & Co., Limited
Wood, Gundy & Company Limited
Bell, Gouinlock & Co. Limited
McLeod, Young, Weir & Co., Limited
Mills, Spence & Co., Limited
Cochran, Murray & Co. Limited
Eastern Securities Company Limited
T. M. Bell & Company Limited
Irving, Brennan & Company Limited

July 13, 1938.

The above statements have been accepted by us as accurate, but are in no event to be construed as representations by us.

IS YOUR PROFIT RECORD GOOD?

We extend an open invitation to traders and investors to visit our technical department and investigate the mechanism and methods that we use to help people make profits and guard against stock market losses. Investigation of our service will help you to determine whether your present position is a sound one to maintain.

COMPARISON WORTH WHILE

Even in the Spring and early Summer period of unsettled market conditions "The Market Digest" was so largely accurate in its comments and recommendations that comparison of back issues of any dates you select, with actual subsequent movements of the market and of individual stocks, will show its record of assistance to subscribers to be very interesting to you or any other trader or investor.

THE MARKET DIGEST

Interprets market trends as a result of scientific recording and charting, and study of the market. It suggests probable market action. Comments upon or recommends specific stocks, advising you when to buy and when to sell. Suggests how to protect your capital. Helps you to trade and invest intelligently.

Write, phone, or call on us for particulars.

Stock Market Digest, Ltd.
200 Bay Street (Ad. 3443-4-5),
Toronto

55 YEARS of Service to Investors

HANSON BROS, INCORPORATED
Established 1883
255 St. James St. West
MONTREAL
Ottawa Toronto

SPORTS COATS
OUTING TROUSERS
TROPICAL SUITINGS

They're Cool-Looking and Smart for every Summer Activity!

In addition to the fine, selected fabrics, this perfect summer attire, shows that extra care and pride of craftsmanship that everyone has come to expect from Levy Bros'. tailoring. Come in and let us show you the wide selection of styles and designs we have for your choice.

Levy Bros.
69 West King Street, Toronto

The Conditioning Club
Exercises, Badminton, Table Tennis, Turkish Bath, Showers, Massages and Sun-Bath. Individual attention.
9 RICHMOND ST. EAST. AD. 7437

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad., $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads. payable in advance.

HAMILTON business property for sale, rent, or lease. Three storeys and basement, approximating 20,000 square feet, electric elevator, sprinklered, steam heated, first class condition, located about one block from centre of city, excellent oak trimmed general and private offices. Suitable for wholesale warehouse, light manufacturing, or storage. Apply Reid Press, Limited, Hamilton, Ontario.

Petroleum Engineer

FOR 13 YEARS WITH SAME MAJOR oil company, 5 years California, 8 years Java, Borneo, Venezuela, wide practical experience and theoretical knowledge drilling, production, geology, B.Sc. London University, A.R.S.M. Royal School of Mines, London, Oil Technology. Age 36, married, English. Resigning present position Venezuela middle August, offers services. Fully capable undertaking complete responsibility for oilfield development. Box 60, The Financial Post, 481 University Avenue, Toronto.

For Sale

FINE TIMAGAMI ISLAND, GOVERNMENT lease; seven acres. One roomed cottage and cook house. Near Camp Chimo and Bear Island. High and dry. Beautiful red pine and white birch. Two miles open water to north west; mainland one hundred yards behind. Very reasonable. Dr. E. N. Wright, 54 Brant Ave., Brantford, Ontario.

Bond Markets

More Speculative Bonds Hold Centre of Interest

Trading in High Grades Light Though Prices Firm—New Brunswick Offers Four-million Dollar Loan

Seasonal doldrums have taken hold of the high-grade bond market. Prices, however, have remained firm, few changes being recorded.

Seasonal inactivity in the high grades has been accentuated by a swing in interest to speculative issues, more especially newsprint bonds, although there has been no fundamental change in the outlook for the latter industry.

There will probably be some revival of activity in the municipal bond market as a result of the city of Quebec $2.2 millions offering and the city of Montreal $4 millions issue.

Brazil Bonds

Close observers of Brazilian affairs do not take an optimistic view of the future for holders of Brazil bonds. The trade position of Brazil at present is bad and prospects are uncertain. Furthermore, despite periodical statements by Brazilian officials, it is difficult to discover any real signs of a favorable attitude toward foreign investors on the part of the Government.

Trade figures to the end of February last show that during the preceding seven months there was an excess of imports over exports of £3,836,617 (gold) compared with a favorable balance of £5,854,084 in the previous corresponding period.

There is little hope of debt service being resumed unless exports can be increased and imports reduced. Brazil's present ability to pay appears to be small.

• • •

New Brunswick Loan

For the second time this year New Brunswick is offering $4 millions of bonds through a syndicate of banks and investment houses, headed by Dominion Securities Corp. and Bell, Gouinlock & Co. The previous $4 millions issue was in April.

The new issue consists of 3% three-year bonds and 3½% eight-year bonds. The three-year bonds are being offered at par to yield 3% and the eight-year bonds at 98.29 to yield 3.75%.

The issue is not firmly underwritten, but is under option to the syndicate. The cost to the province is below 4%, which is less than in the case of the two previous issues.

Purpose of the issue is to provide funds for expenditures on paving roads or to repay temporary indebtedness incurred for such expenditures.

In the eight months ended June 30, net debt of New Brunswick increased by $1,854,414. This is largely due to expenditures on roads and bridges. Capital expenditures, including relief, in this period totalled $2,461,487. Expenditures on roads amounted to $1,788,271 and on bridges $308,728.

In the year ended Oct. 31, 1937, New Brunswick had a surplus on ordinary account of $29,091. For the current year it budgeted for an increase of $643,000 in expenditures. However, it expects this will be offset by additional revenue from increased taxation.

Details of revenue for the eight months period are not available, but it is said experience justifies the expectation that the budget estimate of a small surplus will be realized.

• • •

Bond Index

Prices of high-grade bonds were firm in the past week, with fractional drops in middle-term issues. The Financial Post index displayed a fractional drop during the last five days, but prices remained nearly three points above those of a year ago. Activity on Canadian bond markets was rather restricted in range. Western provincial bonds for the most part held ground, with fractional gains in some cases.

Average Price and Yield for Seven High-Grade Government Bonds

1938	Price $	Yield %	1937	Price $	Yield %
July 12	116.70	2.802	July 12	113.70	3.287
July 11	116.62	2.820	July 10	113.72	3.283
July 9	116.80	2.820	July 9	113.72	3.283
July 8	116.87	2.811	July 8	113.74	3.281
July 7	116.89	2.811	July 7	113.74	3.281
July 6	116.93	2.807	July 6	113.74	3.280
Year's	117.21	2.806	Year's	116.81	3.026
Range	114.21	3.147	Range	111.60	3.505

Montreal Sells New Bond Issue

From Our Own Correspondent

MONTREAL.—Savard, Hodgson & Co. and W. C. Pitfield & Co. head a syndicate offering a $4 million Montreal loan. The issue consists of 8½-year 4% non-callable bonds, due Dec. 31, 1946. They are being offered at par plus accrued interest.

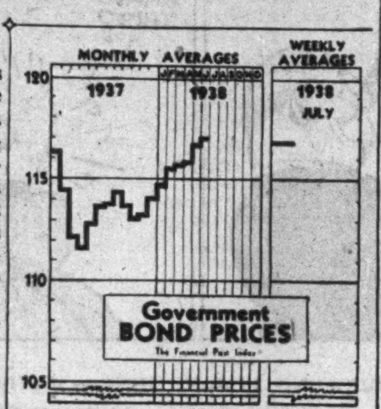
Of the total issue, $1½ million is firmly underwritten. The balance is under option for 90 days. The Montreal Metropolitan Commission has purchased $500,000 of the bonds for its sinking fund.

Proceeds of the issue will be used for the 1938-39 budget of capital expenditures, to settle arrears of school taxes and to consolidate relief expenditures.

Sinking fund to retire the entire issue by maturity is not provided. Accumulated sinking fund at maturity will be $1,978,143 so that $2,021,857 will have to be refunded.

Montreal improved its financial position in the year ended April 30, 1938. Surplus for the year totalled $926,019. Net funded debt was reduced by $240,822.

Collections of current taxes on real estate in 1937-38 amounted to 72.87% of the levy, compared with 72.3% in the previous year. Total collections of real estate taxes, including arrears, amounted to 97.44% as against 99.02% in 1936-37.



City of Quebec Offers Bonds

$2.2 Million Issue Includes Funding of Relief and Deficit

From Our Own Correspondent

MONTREAL.—The City of Quebec is making an offering of $2,264,400 of bonds through a syndicate of 32 investment dealers, headed by L. G. Beaubien & Co. Ltd., Montreal.

The issue consists of $588,500 of 3% serial bonds due 1939-42, $360,500 of 3½% serial bonds due 1943-46 and $1,315,400 of 4% serial bonds due 1947-52. The bonds are offered at various prices to yield from 3% in the case of the 1939 maturities to 4% in the case of the 1952 maturities.

Proceeds are to be used: $793,000 to repay the unamortized balance of several 5% issues; $139,000 for capital works; $611,000 to meet the accumulated deficit on workmen's dwellings to April 30, 1937; $10,900 to meet workmen's dwellings deficit in the year ended April, 1938; expenditures relating to previous years, $285,500 for the 1937-38 deficit; $358,700 for direct relief in 1937-38; and $66,000 for miscellaneous expenses.

In the year ended April 30, Quebec had a consolidated deficit before relief charges of $286,009, compared with $196,507 in the previous year. The consolidated deficit including relief charges was $644,749, compared with $665,583 in 1936-37.

Of the present issue, $793,300, or 35% is to meet the unamortized balance of maturities. In the next 10 years the only maturities of capital which will require refunding are $2,481,585 of 6% bonds, maturing in 1939, and $462,122 of 3½% and 5% bonds, maturing in 1940. These figures are after deducting the sinking fund, which will have accumulated by maturity of the loans.

Collections of current taxes in 1937-38 amounted to $3,751,638, or 67.9% of the levy. Total collections amounted to $5,430,053, of 98.4% of the levy. Tax arrears, after deducting reserves, amounted to $4,167,970 at April 30, 1937, an increase of $43,051.

Funded debt of the city, after deducting sinking funds, amounted to $29,094,723 at April 30, 1938, and bank loans totalled $4,422,980, making a total of $33,517,703. This compares with a total of $33,751,606 at April 30, 1937.

Bond Sales

City of Fort William

The City of Fort William has sold an issue of $88,524 installment 4% debentures maturing in 25 years at 101.33 to Fairclough & Co., representing a cost basis to the city of 3.91%.

Following is a list of bids:

	Bids
Fairclough & Co.	101.33
Frank L. Craig	100.90
Dominion Securities	100.75
R. A. Daly & Co.	100.21
Dyment, Anderson & Co.	100.087
Midland Securities Corp.	99.924
Bell, Gouinlock & Co.	98.60

Liverpool, N.S.

Dominion Securities Corp., Halifax, N.S., has purchased $20,000 of the Town of Liverpool, 3½% serial debentures, dated July 2, 1938, and maturing July 2, 1939-53, at 100.37%. Following is a list of tenders received.

	Bid
Dominion Securities	100.37
T. M. Bell & Co.	100.038
R. A. Daly & Co.	99.81
Irving, Brennan & Co.	99.64
Eastern Securities	99.28
J. C. Mackintosh & Co.	99.17
Royal Securities Corp.	99.11
Bank of Nova Scotia	99.11
Cornell, MacGillivary	99.09
Bell, Gouinlock & Co.	98.95
W. C. Pitfield & Co.	98.86
Nova Scotia Bond Corp.	98.753
Johnston & Ward	98.36
Central Agencies	98.27
Frank L. Craig	97.75

Railway Earnings

Canadian National Railways

May—	1938 $	1937 $	Decr. $
Oper. rev.	13,909,678	16,870,826	2,961,148
Oper. exps.	14,388,292	15,204,576	816,284
Net rev. def.	478,614	1,666,250	2,144,864
Five Months—			
Oper. rev.	69,057,315	78,904,413	9,847,098
Oper. exps.	73,966,715	72,671,652	*1,295,063
Net rev. def.	4,909,400	6,232,761	11,142,161

*Increase.

United Fuel Profits Rise

Preferred Earns $5.97 for Year Ended Mar. 31, as Against $4.85

Annual report of United Fuel Investments and subsidiary companies for the fiscal year ended March 31, 1938, shows net profit of $537,102, as compared with $436,657 in the year ended March 31, 1937. This was equivalent to $5.97 earned per share on the 90,000 shares outstanding, as against $4.85 in the preceding year.

S. A. Morse, president, stated in presenting the annual report that this improvement was the result of increased revenues from sales of gas and coke. The volume of coke sold was 4% higher than in the previous year, while an increase of 5% was shown in the volume of gas sold. Due to a higher average price obtained for large volume industrial sales, the value of the sales was up 13% over a year ago. Revenue from the other products of the coke plants was 6% greater than in the 1937 fiscal year.

Higher Costs

Higher costs for coal in the manufacture of coke and increased transportation charges were in effect during part of the year, but were more than offset by slightly better selling price and the greater volume of coke and gas sales.

The slowing up of general business activities has caused large accumulations of coke in the hands of other producers both in Canada and at United States border points. The president stated that in order to meet competition from these sources, coke is currently being sold at prices substantially less than at this time last year and profits of the current year are being adversely affected.

The application to the city of Hamilton for its consent regarding the proposed merger of the distributing systems of the company's subsidiary, United Gas and Fuel Co., of Hamilton, and Dominion Natural Gas Co. is still under consideration by the city. When the consent is given, steps will be taken to obtain the shareholders' approval of the plan and of the proposed financial reorganization of the company.

As at March 31, 1938, current assets totalled $2,119,531, comprising cash, $1,191,556; accounts receivable less reserve, $378,617; and inventories of $549,358. Current liabilities of $429,970 included accounts payable and sundry accrued charges, $146,460 and other items.

Cons. Income and Surplus Account Years Ended March 31

	1938 $	1937 $
Oper. profit	1,230,507	1,090,341
Less: Dir. fees	3,650	2,975
Exec. salaries	37,555	34,300
Legal fees	10,600	4,385
Net earns. fr.. oper.	1,176,702	1,048,681
Less: Depreciation	223,300	221,706
Bond interest	278,645	284,944
Bond exp. & disc.	25,642	19,157
Res. for inc. tax	114,013	86,217
Net profit	537,102	436,657
Less: Pref. divds.	360,000	......
Surplus for year	177,102	436,657
Add: Prev. surp.	1,014,181	641,520
Invent. over. pr. yr.	18,728	......
Adj. exp. of Ham. By-Prod. bonds	2,469	......
Less: Pr. yr. adjust.	......	16,812
Prov. for recrg. exp. & cont.	75,000	......
Unamort. disc. on Ham. By-Prod. bds. red.	......	42,692
Bond exp.	......	4,492
	1,137,480	1,014,181

Note:—Net profit does not include profit on coal overage for year ending March 31, 1938, which cannot be established until coal piles are used up.

Times Bond Int. Earned:		
Before deprec.	4.23	3.68
After deprec.	3.43	2.90
Earns. per Share:		
Preferred: Earned..	$5.97	$4.85
Paid	4.00	......
Common: Earned ..	d0.03	d1.03

Working Capital

	1938 $	1937 $
Current assets	2,119,531	1,904,525
Current liabilities	429,970	401,852
Working capital	1,689,561	1,502,673

Public Utility Earnings

Mexican Light and Power

May:	1938 $	1937 $	Increase $
Gross earn.	667,610	740,019	*72,409
Oper. exps.	507,670	586,601	*78,931
Net earn.	159,940	153,418	6,522
Five Mos. end. May 31:			
Gross earn.	3,680,265	3,674,598	5,667
Oper. exps.	2,629233	2,631,446	*2,213
Net earn.	1,051,032	1,043,152	7,880

*Decrease.

Jamaica Public Service

May:	1938 $	1937 $
Operating revenues	75,850	73,884
Gross income after retirement accruals	22,010	24,619
Net income	13,637	15,741
12 Mos. end. May 31:		
Operating revenues	905,494	874,792
Gross income after retirement accruals	295,042	268,681
Net income	190,590	165,100

The above figures are translated from Pounds Sterling at the rate of $4.86⅔ to the Pound.

Winnipeg Electric Co.

May:	1938 $	1937 $
Gross revenue	527,748	546,134
Oper. expenses	316,181	328,545
Net income	211,567	217,589
Five Mos. end. May:		
Gross revenue	2,827,500	2,942,621
Oper. expenses	1,619,726	1,668,781
Net revenue	1,207,774	1,273,840

Growers' Wine Co. Approves Stock Split

From Our Own Correspondent

VANCOUVER.—A ten for one split in the stock of Growers' Wine Co. was approved at its recent annual meeting. Instead of having 36,721 common shares of $10 par, the company will have outstanding 367,210 shares of no par value. The company hopes to effect a wider distribution of shares as a result of the new set-up. For the year ended April 30, net profit transferred to surplus, after writing off $18,512 for depreciation, was $49,140. This compares with $42,949 last year.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Dominion—	Date Isued	Sold to	Rate	Due	Amount	Price	Yield
Quebec City	July	L. G. Beaubien & Co. and Syndicate	3% 3½% 4%	1939-42 1943-46 1947-52	$588,500 360,500 1,315,400	....	....
Montreal	July	Savard, Hodgson & Co., W. C. Pitfield & Co. and Syndicate	4%	1946	4,000,000	*100	4%
Fort William, Ont.	July	Fairclough & Co.	4%	25-ser.	88,524	101.33	3.91%
Pointe Gatineau Sch. Com., P.Q.	June	Bruno Jeannotte, Comptoir Nationale de Placements	3% 5%	1939-47 1947-53	20,000 20,000	102.03 102.50	....
Bobcaygeon, Village of	July	Laurence Smith & Co.	4%	20-ser.	65,000	103.50	.....
Provincial—							
New Brunswick	July	Bank of Montreal and Syndicate	3% 3½%	1941 1946	4,000,000	*100.00 *98.29	3.00% 3.75%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Ottawa Light, Heat & Pwr. Co.	July	W. C. Pitfield & Co. and Wood, Gundy & Co.	3% 3½% 4%	1939-43 1944-48 1957	$423,000 425,000 4,150,000	....	....

* Offering price.

Final Distribution Made On Old Algoma Steel Bonds

A final distribution has been made by the Toronto General Trusts Corporation as a result of a liquidation of the old Algoma Steel Corp. The latest distribution, amounting to $2.61 per £100 on the old 5% first and refunding mortgage bonds of Algoma Steel, was made on July 5. A previous distribution of $7.30 for each £100, was made in February of this year. A compensation of $1 per bond is being deducted for deposit and exchange of shares of Algoma Steel Corp. (1934).

The distribution will go to holders of bonds which have not been surrendered for exchange into the new shares of the present Algoma Steel Corporation, and as well to Algoma Steel shareholders who received their shares as a result of a settlement of their claim against the old company in the 1935 reorganization.

The payment now being made, comes as a result of a claim against the receiver of Lake Superior Corporation for $16.5 millions. Lake Superior Corporation is in liquidation and it was only expected that creditors would receive a small percentage of their claims as has proved the case.

Total moneys received from the liquidator of the Lake Superior Corp. by the Toronto General Trusts Corp. amounted to $319,173. Of this legal expenses required $11,000 and trustees' compensation amounted to $5,220. Another $661 was paid to the Chemical Bank & Trust Co. for holders of Lake Superior Corp. collateral trust 5% bonds in connection with the $135,470 par value of Algoma Steel Corp. first and refunding bonds held by the liquidator of Lake Superior and other expenses required $675. This left a balance of $301,617 of which $222,165 was distributed Feb. 21, 1938, and the balance of $79,452 given out on July 5 as a final distribution.

Rogers Majestic Profits Higher

Net Equivalent to 65 Cents a Share for the Year

A small improvement in profits was experienced by Rogers-Majestic Corp. in the year ended March 31, 1938. Net was equivalent to 65 cents a share on the combined A and B shares against 60 cents a share in the preceding year.

G. Harrison Smith, president, states that the directors seriously considered a dividend in the past year, but decided to maintain surplus to carry the company through the possible difficult period that might result from the the business depression in the United States.

Radio Finance Corp., a wholly owned subsidiary, was sold last year to Industrial Acceptance Corp. and this company now handles all instalment financing for Rogers-Majestic. The arrangement frees more working capital for normal manufacturing operations. The sale provided a net addition to surplus of $38,573.

Mr. Smith draws attention to the coming cycle in the radio industry which he feels will prove difficult to forecast. This is also emphasized by D. G. Mackenzie, vice-president and general manager. Mr. Mackenzie states that last year's improvement was participated in by all branches of the company's business. Since the end of the fiscal year, the refrigerator business has advanced and stoves and washing machines also show increase in sales. Export prospects are stated to be materializing in the form of substantial orders. Seasonal factors may be influential here.

Mr. Mackenzie states that the company bought over $1 million of Canadian supplies last year and paid $849,835 to employees and $513,283 to the governments.

Inventories of $1.1 million at March 31, 1938, are considerably above the $767,276 of a year earlier. Accounts receivable at $390,069, before reserve of $39,009, are little changed from a year earlier, but the sale of Radio Finance Corp. has resulted in the item of $189,671 for lien notes disappearing. Bank loans total $84,000 against $62,001.

Consolidated Income and Surplus Account Years Ended Mar. 31

	1938 $	1937 $
Gross oper. profit	1,348,693	1,272,028
Less: Expenses	986,636	940,978
Counsel fees & exec. remun.	89,175	66,654
Depreciation	105,282	104,929
Income taxes	27,813	30,489
Net profit	139,787	128,978
Add: Previous surplus	15,748	*111,045
Adjustments	969	......
Radio Finance Corp. adj.	38,373	......
Less: Can. Radio Patents w/o val.	15,000	......
Res. for unreal. prof.	7,682	......
Capital surplus	......	1,800
Tax adjustments, etc.	704	305
Surplus forward	171,692	15,748

*Deficit.

Earned Per Share:		
Classes A & B	0.65	0.60
No dividends paid.		
Shares Outstanding:		
Class A, n.p.v.	200,000	200,000
Class B, n.p.v.	15,000	15,000

Working Capital

	1938 $	1937 $
Current assets	1,512,427	1,332,254
Current liabilities	312,614	264,393
Working capital	1,199,813	1,067,861

Sisters of Mary Issues First Mortgage Bonds

MONTREAL.—Dube, Leblond & Co., Quebec city, is making a public offering of $175,000 of 4% first mortgage bonds of the Congregation des Soeurs Antoniennes de Marie at 100 and accrued interest.

The issue which is payable as to principal and interest in Canadian funds, is redeemable serially from 1940 to 1950.

Tor. Elevators To Show Loss

Will Pass Dividend on Common — Pay on Preferred

Operations of Toronto Elevators will show a loss for the first time in its history for the fiscal year ended July 31, G. C. Leitch, president, has announced in a letter to shareholders.

Unprecedented conditions in the grain trade, because of a small crop in the West and scarcity of contract grades is held responsible for the loss. This adverse result, according to the president, should not be construed as forecasting a change in the company's earnings trend. It is rather a reflection of the abnormal conditions existing in the trade.

The president states that from crop forecasts in the United States and Canada a return of normal conditions may be expected, which should enable the company to again show satisfactory earnings.

Regular dividends on the preferred shares have been declared, and no change of policy is contemplated, but payment on the common shares of the company will be passed.

In the year ended July 31, 1937, Toronto Elevators showed a net profit of $194,635, and after payment of dividends, etc., surplus for the year amounted to $39,838. At July 31, 1937, surplus carried forward on the balance sheet totalled $493,524.

Initial quarterly dividend on the new 5¼% preference stock of 66 cents was paid on June 7, 1937, and has been paid regularly since.

B. A. Oil Debentures Drawn for Sinking Fund

The total of $252,500 principal amount of the 4% sinking fund debentures of the British American Oil Co. have been drawn for redemption for sinking fund purposes on Sept. 1, 1938, at 101¾, according to a notice given by the Chartered Trust Company. Holders of debentures may receive payment by presentation at any branch in Canada, Yukon Territory excepted, of the Bank of Nova Scotia. The coupon due Sept. 1, 1938, should be detached before presentation.

Champion Mtge. Earnings Are 5.03% on Investments

Champion Mortgage Corp., which took over the assets of Champion-Simmons Investment Corp. in 1937, reports that net earnings on cost price of total investments amounted to 5.03% for the fiscal year ended Dec. 31, 1937.

Capitalization has been increased to $300,000, of which $150,000 is fully paid up.

Total business in force at May 20, amounted to $9,703,500, and ratio of assets to cash surrender liability to certificate holders was $134.97 for every $100.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Dom. Tel. Secs.	*5½%	1978	Aug. 2	100
Gatineau Pr.	6%	1941	July 29	101
Do., (B)	6%	1941	July 29	101
Eastern Car	*6%	1952	July 30	...
Steel of Can.	‡6%	1940	Aug. 1	...
B. A. Oil	▲4%	1945	Sept. 1	101¾
St. John's, Nfld.	§6%	1947	Aug. 1	100

For sinking fund purposes:
*$3,100. ▲$222,500. §$68,000.
Tenders called for: *$41,272. ‡$443,137.

The Greenshields Review

Indicated change in trend of the stock market discussed in light of new business developments. Copy on request.

Ask for Review P18

Greenshields & Co
Members Montreal Stock Exchange
Montreal Curb Market
507 Place d'Armes, Montreal
TORONTO OTTAWA QUEBEC
SHERBROOKE
129

FOUNDED 1855

A Safe REMUNERATIVE INVESTMENT

Canada Permanent Debentures are a favorite security of many thousands of experienced investors. Issued for $100. and upwards, bearing the following attractive rates:

for 1 or 2 years - 3 %
for 3 or 4 years - 3¼%
for 5 years - - - 3½%

A legal investment for trust funds.

CANADA PERMANENT Mortgage Corporation
HEAD OFFICE: 320 BAY ST., TORONTO
ASSETS EXCEED $68,000,000

New Issue

$2,264,400
CITY OF QUEBEC
Serial bonds dated July 1, 1938

$588,500 3% bonds, due July 1, 1939 to 1942
(non-callable)
$360,500 3½% bonds, due July 1, 1943 to 1946
(non-callable)
$1,315,400 4% bonds, due July 1, 1947 to 1952
(non-callable until 1948)

Principal and semi-annual interest (January 1 and July 1) payable in lawful money of Canada in Quebec, Montreal and Toronto. Callable as a whole or in part as from July 1, 1948, inclusive, on any interest payment date, on 3 months' notice, at 100 plus accrued interest. Registration as to principal only. Denominations: $1,000, $500 and $100.

Legal opinion—Mr. J. Eugène Chapleau, K.C., for the City.
Messrs. Dupré, de Billy, Prévost & Home, Quebec, for the Selling Agents.

Legal Investment for Trustee Funds in the Province of Quebec and for Funds of Insurance Companies registered under the Canadian and British Insurance Companies' Act, 1932.

Contracted under by-laws Nos. 304-10 inclusive, and duly approved by the Quebec Municipal Commission, this loan constitutes a direct obligation of the City.

The present issue has the following objects: the funding of capital expenditures; the refunding of the unamortized balance of several 5% bond maturities; and the funding of certain deficits, direct relief costs and sundry expenses.

Descriptive circular will be forwarded upon request.

Subject to prior sale and allotment, for delivery if, as and when issued and received by us, and subject to the approval of Counsel, we offer the following bonds, on behalf of the City, at the undernoted prices:

Interest Rate	Maturity	Amount $	Price (plus accrued interest)	Approx. Yield to Maturity
3%	1939	144,100	100	3.00%
3%	1940	149,000	99½	3.26%
3%	1941	154,100	99	3.35%
3%	1942	141,300	98½	3.40%
3½%	1943	146,100	100	3.50%
3½%	1944	68,700	99½	3.59%
3½%	1945	71,400	99	3.66%
3½%	1946	74,300	98¼	3.75%
4%	1947	77,300	101	3.87%
4%	1948	80,300	101	3.88%
4%	1949	83,400	100½	3.94%
4%	1950	87,100	100½	3.95%
4%	1951	84,500	100½	3.95%
4%	1952	902,800	100	4.00%

Interim certificates are now ready for delivery.

L. G. Beaubien & Co., Limited
Banque Canadienne Nationale
Wood, Gundy & Company, Limited
The Provincial Bank of Canada
Royal Securities Corporation, Ltd.
Savard, Hodgson & Co., Inc.
J.-C. Boulet, Limitée
J.-E. Laflamme, Limitée
Dubé, Leblond & Compagnie, Inc.
La Corporation de Prêts de Québec
Lagueux & Darveau, Limitée
Lucien Côté, Inc.
Garneau, Boulanger, Limitée
René-T. Leclerc, Inc.
Crédit Anglo-Français, Limitée
Greenshields & Co., Incorporated
W. C. Pitfield & Co., Limited
Hanson Bros., Inc.
McLeod, Young, Weir & Co., Limited
Mills, Spence & Co., Limited
Ross Brothers & Co., Limited
Clément, Guimont, Inc.
Hamel, Fugère & Cie, Limitée
R. A. Daly Co., Limited
Seagram, Harris & Bricker
McTaggart, Hannaford, Birks & Gordon, Limited
Canadian Alliance Corporation, Limited
Jos. Morency, Limitée
Bruno Jeannotte, Limitée
Paul Gonthier & Cie, Limitée
Société Générale de Finance, Inc.
Comptoir National de Placement, Limitée

This advertisement is published on behalf of the City of Quebec and is based upon official information.

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

The Financial Post Has the Largest Paid Circulation of All Canadian Financial Papers

Editor—Floyd S. Chalmers
Business Manager—D. M. Gowdy

The Financial Post Business Year Book and Market Survey, Yearly, $2.

The Financial Post Survey of Corporate Securities, Yearly, $2.

The Financial Post Survey of Mines, Yearly, $2.

Directory of Canadian Directors and Officials, $10.

The Financial Post Survey of Canadian Oils, Yearly, $1.

The Financial Post Corporation Service, $20 monthly. Special prices for individually selected investor's service.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Avenue, Toronto 2,
Founder and Chairman—John Bayne Maclean
President—Horace T. Hunter
Vice-President and General Manager—
H. Victor Tyrrell

ADVERTISING RATES
Single insertion—$4.20 per inch.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

MONTREAL—Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.
GREAT BRITAIN, London—Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1. Telegraphic Address, Atabek, Lesquare, London.

TORONTO, JULY 16, 1938

The Financial Post's Platform for Canada

Balanced budgets.
A modernized constitution.
Extension of Empire trade.
Integrity in meeting public obligations.

Manion Ties Hands on Rails

THE Conservative convention and the party's new leader, Hon. Dr. R. J. Manion got off to a most unpromising start when they rejected the opportunity to give national leadership on the railway problem. Neither the party nor its leader gave evidence that they approach the subject with an open mind or that they have clear convictions along what lines a solution must be found.

Dr. Manion was for five years Canada's Minister of Railways during which time he came to grips with the problem in its most ugly manifestations. He was instrumental in bringing to an end the Thornton regime of waste and extravagance and was responsible for important economies which he realized were so essential if the country were to avoid financial bankruptcy. Only two years ago he wrote in his book, "Life is an Adventure":

> "Canada cannot go on indefinitely paying $50 millions per annum for the Canadian National . . . .
>
> "The national economic life is at stake today, and, if it is to be salvaged all must be ready to assist even at the cost of some real sacrifice."

* * *

These statements are equally true today. Yet in his nomination speech, Dr. Manion went out of his way to emphasize the things he would not do about this railway problem. He gave no indication of what he would do to work toward its solution.

The railway resolution which finally emerged from the convention itself was essentially negative. It first declared "opposition to any plan of unification or amalgamation," then pledged the party to secure "co-operation . . . under a non-political board" provided the rights of labor were safeguarded by pensions for employees displaced and provided that lines which "contribute to and are essential to the national development of our country be preserved and continued."

More than three quarters of the resolution was devoted to what the Conservative party will not do. Its one positive suggestion gave little evidence of the party's willingness to go out of its way to achieve any permanent or effective solution.

* * *

There will be no solution of the railway or any other pressing national problem so long as political parties lack the courage to face issues squarely and with an open mind.

Dr. Manion may have very definite personal convictions on the matter of rail unification. But he should not, on the first day of his leadership, have permitted his hands to be tied on the country's biggest problem. His frank statement last week that "I am not the servant of any individual, class, group, section or interest, big or little" is already qualified. Dr. Manion—as was Mr. Bennett — is already the slave of an unnecessary and undesirable commitment.

The convention voted down, both privately and publicly, all attempts to meet the railway issue squarely. It rejected in bad grace the moderate but clean-cut amendment which urged:

> "That the Conservative party pledges itself to find ways and means to solve the railway problem, also pledging that in its solution, temporary and permanent employees of both railways and their families will be adequately and fully protected."

There was nothing of national leadership in the negative, hesitant stand of the party and its new chief.

Turner Valley Prospects

WITH potential production of 48,700 barrels per day and at least six more wells due shortly, Alberta is rapidly reaching a position of being able to supply half the total crude oil needs of Canada—roughly 100,000 barrels daily.

Yet because Alberta crude is sold only on the prairies, output is restricted to 37% of "potential." Canada's imports of crude oil and its constituents continue at $2 millions monthly. The producers feel that, as they have developed a new source of wealth for the country, they should be aided to sell all they can produce.

Geography creates their problem. Had Turner Valley been situated close to the ocean or the Great Lakes, its crude oil would be used in eastern Canada today, although some alteration of refining equipment might be necessary.

Two alternate solutions are lower freight rates and/or a pipeline to the head of the Lakes or to the Pacific coast.

A cost of around $2.01 per barrel laid down at Sarnia would enable Alberta to compete with mid-continent crude. Current cost is around $3.92 per barrel of which railway freight of $2.40 is the big item. Railways say they might consider a rate of $1.50 but this is still considered too high. A figure of under $1 is hoped for. In return for any reduction, the railway companies ask a guarantee of a certain amount of business and that this come from the eastern refiners rather than from the western producers. Also the railways want a higher "potential" production to insure continued supply.

Cost of a pipeline, east or west, is placed at $30 millions. The eastward line would probably be cheaper to operate, owing to the easier grades. Oil men say that, before such a line could be constructed, the promoters would have to be reasonably sure of writing off the capital cost within five or six years. Anyone promoting a pipeline would want assurance of a potential production of 100,000 barrels daily, not from one field only but from a number. Dependence on one field is considered unsound.

It would seem then that producers must still concentrate on increasing potential production and developing other fields to the size of the Turner Valley before they can expect a pipeline to be built or lower railway rates.

These are hard conditions for a young industry struggling to establish itself as a new source of national wealth. They may be modified as the situation becomes clearer. The conclusions from the Tariff Board's study, for example, may point to a revision of terms either on the part of the railways or the oil refiners, or both.

Meanwhile producers should bend every effort to increase potential production and to develop other producing fields. In so doing they will strengthen their own hand and hasten the day when they can demand the rewards of the courageous and patient efforts of the past 30 years.

Conservatives Support Rowell Probe

ONE of the most contentious problems facing the Conservative convention last week was the constitutional issue.

For three days the resolution committee wrestled with the problem of whether or not the party should come out flat-footed in favor of amending the B.N.A. Act. Bitterness of the discussion upset the entire programme by postponing from Wednesday until Thursday the presentation of the resolutions to the floor of the meeting.

The final result—unaffected by open debate—was to adopt a compromise whereby the party "reserved its decision on the constitutional issue" until such time as the Rowell Commission concludes its hearings or makes its report.

This compromise is significant in two ways. It implies recognition of the merit of the royal commission way of doing things and of this royal commission in particular. It indicates the party is prepared to keep an open mind on the Rowell Commission report until such time as it is available.

Ever since the Rowell Commission began work, its membership and purpose have been subject to bitter, abusive comment at the hands of Rt. Hon. R. B. Bennett. While Mr. Bennett remained at the head of the Conservative party it was hard to see how the party could approach anything the commission said or did with an open mind.

That reservation is now apparently removed in a way that will appeal to a very large number of Conservatives who had little or no sympathy with the stand taken by their late leader.

Appearance of this resolution in the party platform should also prove an effective check to those Conservatives who are wont to ridicule the royal commission way of doing things. It will be hard for the Conservatives to be too critical of the Liberal policy of appointing royal commissions, when they themselves have used this democratic device as protection against a definite commitment on this very vital national question.

By its unwillingness to face directly the constitutional issue and by its desire to conciliate the demands of the Quebec bloc the Conservative party has done itself and the cause of national unity a good turn.

Had the party come out flat-footed in favor of a B. N. A. Act amendment there might have been an immediate alienation of Quebec support which may be essential to a proper solution of this grave national problem.

On the other hand the willingness of the party to await the outcome of the Rowell probe paves the way for a united federal approach toward solving the vexed question of our federal-provincial relationships.

The Small Town

PUBLICIST ROGER BABSON got his name spread across the newspapers of the continent the other day by advising university graduates not to get married hastily but to get a job in a small town and to put their savings into a small farm. "Your real hope," he said, "is in getting a small business of your own. Try to get a job in a small town."

Henry Ford is equally enthusiastic about the small town as a place to work and live. His spokesman, W. J. Cameron, made some pertinent remarks about the matter not many weeks ago. "Nowadays," he said, "no one need go to the city for a career. Big things can be done in smaller places. Towns and villages are even coming to be preferred for many types of enterprise."

The small town has always been a good place to live. Today, any disadvantages it may have had as to distance or isolation have disappeared. Traditional qualities of friendliness, freedom and fresh air have been enhanced by most of the amenities of "city" life.

It's All on Paper

IN COMMUNIST RUSSIA the people are being forced to face up to the harsh realities of a Five Year Plan that is still a plan after twice five years have passed. In Canada the credulous folk who are enticed to follow behind our Communist leaders are still fed on the insubstantial meat of delusion.

The Communist daily in Toronto has a headline indicating that Russia will produce five million tons of paper annually.

Reading further, one finds that Russia is now producing 250,000 tons of paper annually. The director of the country's biggest paper plant says that he hopes that by 1942 the U.S.S.R. will be able to turn out five million tons of paper a year.

The forecast is utter rot. It serves no purpose but to fool the masses in Russia and the deluded victims of Communist propaganda in Canada.

Russia produced 147,000 tons of paper in 1913. The figure in 1926 was 251,000 tons and in 1929, 364,000 tons. Now it is 250,000 tons, according to the Moscow despatch cited above. At the rate of increase shown since 1913 Russia may achieve a five million ton production by the year 3188.

Canada with 11 million people consumes twice as much paper as Russia with 185 million people.

Canadian vs British Taxes

ENGLISH newspapers and magazines, intent upon convincing the Briton that his income tax is heavy, persist in presenting the Canadian income tax as lighter than it really is.

News-Review, for example, gives a table of British taxes, compared with those of Canada and other countries. The man with $25,000 earned income, with a wife and one child, pays Britain $7,688 in income tax. According to News-Review, he would pay in Canada $3,652, less than half as much.

This overlooks the fact that Canada is a federation and that the provinces share the income tax privilege. The citizen referred to would, in Ontario, pay $4,697 in combined income taxes.

His sales taxes (not charged in the United Kingdom) and his larger customs duties would bring his total annual taxes to more than the amount he would pay in income tax in Great Britain.

The per capita taxation in Canada is higher than in Britain. The per capita income with which to pay it is less.

Editorials in Brief

Perfect Nomination Speech made by most of the five leadership candidates at the Conservative convention last week: "I'm in the hands of my friends."

* * *

It took New York State just six years to erase the deficit left by Franklin D. Roosevelt in his last two years as governor. It will take a lot longer to erase the deficits Mr. Roosevelt is leaving as president.

* * *

Rt. Hon. Arthur Meighen's brilliant oration at the Conservative convention last week showed the former leader in finer, mellower form than at any other time in his career.

But the way in which it roused racial antipathies gave point to those who claim the Hon. Senator would rather win an argument than an election.

* * *

Canadian Sectionalism is never more obvious than at a huge national gathering such as the Conservatives staged at Ottawa last week. Chief contributing factor is the grouping of delegates by provinces.

Every time contentious issues were pressed, the Quebec "bloc" made itself felt in ways that did little to promote national unity and accord. Outside the convention hall there was plenty of opportunity to break down these barriers and meet on common ground.

The Ottawa experience suggests that next time a great political party meets, some way be found to overcome this geographical grouping and thus promote a more unified approach to great national questions.

Sayings of the Week

"You remember 1935 when they voted for 'King or Chaos'—and got both?" — *Murdock A. MacPherson.*

* * *

"I hope that the British Army will become the best fed in the world."—*Sir Isidore Salmon, M.P.*

* * *

"I am my own master in all things, not a servant of any group or individual or section or interest, big or little."—*Hon. Dr. R. J. Manion.*

* * *

"All newspapers do not necessarily make large, or indeed any, profits." — *Major Astor, M.P.*

* * *

"The civil population, and especially the industrialists, will be the first target of any enemy attack."—*Lord Rochdale.*

* * *

"Let us behave the way partners behave when they have a permanent purpose and when they know that purpose is right."—*Rt. Hon. Arthur Meighen.*

* * *

"The rights of minorities must be and forever will be protected, but oh, my friends, do not forget that majorities too have rights."—*Rt. Hon. R. B. Bennett.*

* * *

"We cannot but be impressed by the need for a joint effort in constructing a new and better world order."—*President Roosevelt.*

* * *

"For the first time the victim has the pleasure of announcing to the League of Nations that it has beaten the aggressor."—*Dr. Wellington Koo* (China's delegate).

* * *

"Should I become Prime Minister one of my first acts would be to appoint a Minister of Youth Welfare, who would take the great problem of youth in hand."—*Hon. Dr. R. J. Manion.*

* * *

"The resolutions are an insult to the intelligence of this convention. They are a treachery to the people of this country. They are the supreme accomplishment of the reactionary forces within the Conservative party." — *Hon. W. D. Herridge.*

* * *

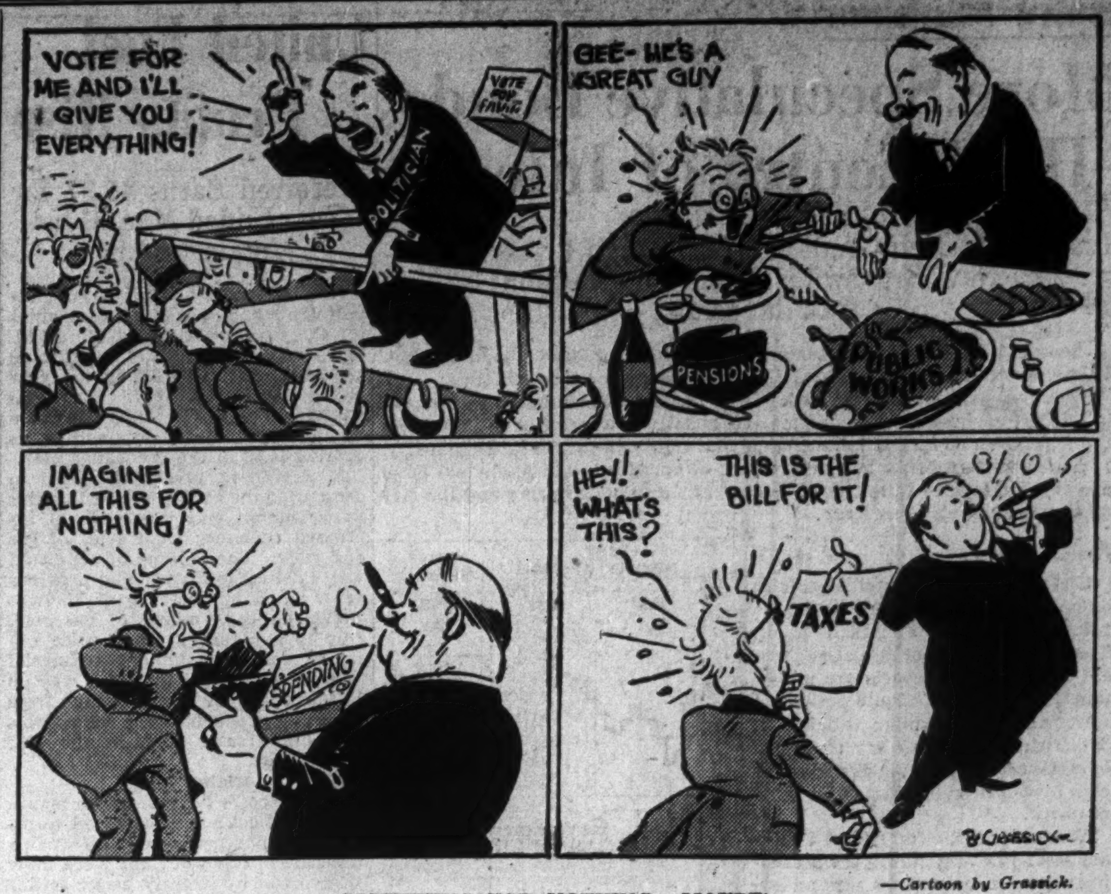
"Let us open our eyes to the truth that a building up of the common defense of this country and the Motherland is a thousand times more important than punctilious constitutional technique."—*Rt. Hon. Arthur Meighen.*

* * *

"My friends from Quebec, you and I are British subjects. And by that proud name I ask you to join together with us to ensure the prosperity of Canada and the British Empire."—*Rt. Hon. R. B Bennett.*

* * *

"If we could rally even ten well-armed States in Europe, all banded together to resist an aggression and banded together to attack the aggressor, we should be so strong that the immediate danger might be warded off."—*Winston Churchill.*


VOTE FOR ME AND I'LL GIVE YOU EVERYTHING!
POLITICIAN
VOTE FOR FAVIG
GEE- HE'S A GREAT GUY
PENSIONS
PUBLIC WORKS
IMAGINE! ALL THIS FOR NOTHING!
SPENDING
HEY! WHAT'S THIS?
THIS IS THE BILL FOR IT!
TAXES
By GRASSICK

—Cartoon by Grassick.

SOMETHING FOR NOTHING — MAYBE!

Post-Scripts . . . .

Nomination Day

It will be a long time before sensation-loving Ottawa forgets the quiet-spoken westerner who stole the nomination day show at the National Conservative Convention last week and came very close to stealing the leadership.

For a year Norman M. MacLeod, an astute newspaperman at Ottawa, has been quietly singing the leadership praises of Murdock Alexander MacPherson, of Regina. A former attorney-general in Saskatchewan, he organized under Rt. Hon. R. B. Bennett the Farm Creditors Arrangement Act.

M. A. MACPHERSON

Most Conservatives had scarcely met MacPherson. Had his name not been urged consistently by his journalistic friend he would have been a perfect dark horse.

Though Mr. MacPherson's strength lay chiefly in the West, most of the prairie delegation at it swung toward Ottawa two weeks ago had set their minds on Dr. Manion as the logical choice. Mr. MacPherson's candidature was not even assured. Once at Ottawa, the heavy artillery of the anti-Manion forces lined up behind this 46-year-old lawyer and pressed him into the race. In the nomination roster he drew end place among the five candidates. Dr. Manion spoke first.

* * *

Dr. Manion Leads

Though doubtless achieving its purpose as an olive branch to the Quebec bloc, Dr. Manion's speech was disappointing. More conciliatory than courageous, it seemed to lack statesmanship qualities. The direction of the applause it received emphasized racial cleavage. Perhaps the difficult task of winning Quebec support overshadowed a clear-cut expression of views; impeded geniality and customary warmth.

The need for strong central government he balanced against "respect for provincial autonomy and provincial rights," with no clear formula as to how this was to be achieved. On the contentious issues of defense and constitutional rights and amendment he made no commitment, merely urging that the duty of the delegates was to make the convention a success, "not to stir antagonism and friction."

To aid in solving unemployment Dr. Manion announced his intention to create (if elected) a Ministry of Youth Welfare. He expressed unqualified disapproval of railway unification as being a policy of "defeat and retreat, not of progress."

His speech began and ended with a standing demonstration from the Quebec delegation.

* * *

Earl Lawson, Joe Harris and Denton Massey spoke next and in that order.

For all his clean-cut appearance, Mr. Lawson was very disappointing. There was little in his speech that gave a clue to latent ability or potentialities. Lack of impressive sponsors was also a handicap.

* * *

Joe Harris

But Toronto had a hidden ace—Joe Harris.

Besides being a successful businessman and organizer, Mr. Harris is a good showman whose qualities lie seemingly dormant behind a dark, stocky countenance.

"Keep cool." "Organize."

"Give parliamentarians real jobs to do."

"Cut taxation." "Cut the cost of government."

"Bring order out of rail chaos by business-like management."

JOE H. HARRIS

These were his slogans, hammered out in a way that brought broad chuckles for the first time to the face of R. B. Bennett.

Delegates began to wonder where Mr. Harris had been all these years, thought instinctively of his abilities as party organizer, if not of his leadership qualities.

* * *

Denton Massey—as usual—overplayed his youth theme. Looking not half so youthful as his contemporaries who were born 10 years earlier (Lawson and Macpherson), he poured out a flood of Sunday Schoolish oratory, ending (appropriately enough) with the last two lines of "Land of Hope and Glory."

* * *

The evening was getting late and the meeting was restless. Many of the delegates and most of the "gallery"—not realizing that Murdock MacPherson was about to steal the show—went home.

* * *

Murdock MacPherson

If other speakers had failed to do themselves justice, Mr. MacPherson leaned in the other direction. Some people said it was because personally he cared not very much whether he achieved the leadership or not — in a word, that he spoke straight from the heart as many a Maritime-born westerner has done before him—not choosing whether what he said would hurt or help his personal fortunes but merely giving voice to a conviction that the Conservative party, if it was to succeed at this time, must follow certain clearly defined principles.

His frankest comment (Quebec notwithstanding) was his declaration:

> "There must be amendments to the constitution. If social reforms can only be proceeded with on a national basis, we must amend the constiution in order to do it. We cannot be placed in a constitutional strait-jacket."

The applause which greeted him when he sat down was more than lip-service. Next morning he polled over 30% of the total vote on the first ballot; over 40% on the second ballot.

How many of these votes were a direct result of his nomination address?

How many were due to the strong sponsorship which a short time prior to nomination hour is reported to have swung behind his candidates?

The questions are difficult to answer. But the net result was the same, namely, that Murdock MacPherson polled an astonishing vote which came amazingly close to matching that of Dr. Manion. And on his nomination night performance he deserved it.

* * *

Tory Trivia

The dollars and cents figure for the Conservative convention was put between $250,000 and $300,000 — it ranks as the biggest in Canadian political history and boasts of staging the largest supper party (2,100) ever seen in this country. Total vote polled was also a new high at 1,576. The Winnipeg figure in 1927 was 1,564.

* * *

The appearance of the two Herridges was a study in contrasts. On Wednesday the youngest delegate, 7-year old "Willie" Herridge received a big ovation when he stepped to the microphone to say, "Ladies and gentlemen, thanks very much indeed," when he was presented with a golden membership card.

The next day when his father, Hon. W. D. Herridge, rose to castigate the convention resolutions as a "lot of useless junk" he was howled down.

* * *

On nomination day, delegates had a chance to hear 10 other Conservatives besides the leadership aspirants—a mover and seconder for each candidate. Several younger men took the opportunity to do their stuff at the place where it should do most good if they subsequently seek national honors or preferment themselves. A few should be mentioned.

Errick Willis, of Manitoba, who may shortly be heard from in that province if the suggested provincial election materializes this fall. He is the new provincial Conservative leader and his nomination of Dr. Manion was mutually profitable to both his new leader and himself.

Georges Heon, the energetic Quebec "leader," who has been much in the limelight since he won the Argenteuil by-election a few months ago. A perfect bilinguist, he drew a laugh by his bold suggestion that "my friends tell me I should meet the other candidates in the next Conservative cabinet, myself."

Howard C. Green, M.P., who nominated his room-mate, Denton Massey, has represented Vancouver South since 1935. A barrister with a war record, he made a splendid impression on all who met him.

"Rod" Finlayson, known to thousands of Conservatives by name, at least, during the 11 years he acted as Mr. Bennett's personal secretary. He spoke well and clearly in seconding Denton Massey's nomination.

The Smith Brothers—who introduced Murdock MacPherson. They aren't brothers, of course, but got much applause by their reference to their bearded, cough-drop contemporaries. One is A. L. Smith, of Calgary; the other, C. B., of Halifax.

At times the job of reading everything in French as well as English became tedious. One delegate thought it was a bit thick to have the Lord's Prayer said twice. But the joint chairmen—John R. MacNichol and Hon. M. Dupré—did their best to relieve the monotony and keep things running smoothly. Their toughest job (apart from holding passions in check when resolutions were before the meeting) was to continue a bit of routine business (in French and English) long after Senator Haig had walked on the platform with the news of Dr. Manion's victory in the second ballot. Before any announcement had been made, news photographers were busy "shooting" the new leader, while his friends on the platform swarmed around to wring his hand.

Stop Me If . .

Rising to congratulate Hon. Dr. Manion on winning the Conservative leadership last week, Hon. Earl Lawson told the story of the man who was too lazy to say his prayers so had them printed on a card and hung at the head of his bed.

When rolling into bed each night he glanced at the card and said: "Lord, them's my sentiments."

Earl had just listened to Murdock MacPherson, Joe Harris and Denton Massey—the other defeated candidates—eulogize their new leader, so he added his bit: "Them's my sentiments."

Royal Commissions . . .

Bank of Nova Scotia Monthly

Royal Commissions of Enquiry are part of the fabric of the British governmental system, and as such have played a notable role in Canada as well as in England. They have long been used in Britain as a means of acquiring the necessary information upon which government action might be based. Their history goes back to early Norman times, when William the Conqueror sent his commissioners to collect information regarding the ownership, taxation and administration of the lands of England, thus acquiring, in the Domesday Book, the first report of a Royal Commission.

Commissions of enquiry have been termed "a typically English device for bringing the best brains in the country to bear on great legislative tasks in their very earliest stages; for making self-government effective over topics for which there are as yet no self-governing organs." This suggests both the purposes for which they are chiefly used and the circumstances which make their appointment expedient.

The increasing complexity of modern society, particularly in its economic aspects, has created many pressing problems which have driven the State more and more into the field of social and industrial legislation. Parliament has not always the time or the specialized knowledge to give these problems the study which must precede legislation, while at the same time the question may be so new that the course of remedial action may lie in an uncharted sea. A Royal Commission of Enquiry is a device by which law-makers may avail themselves of the services of persons who have expert knowledge or who are representative of the interests concerned.

For these purposes a Royal Commission has definite advantages. Its personnel is not restricted to parliamentarians as is that of a select committee of the House; it is mobile (a factor of importance in a large, diverse country such as Canada); its tasks are not limited to a particular period of time, such as a single session of Parliament; its terms of reference may be made as wide or as narrow as is desired; and it may employ experts to investigate particular aspects of a subject, in addition to the "hearing" of expert opinion during its examination of witnesses. At the same time it is a truly democratic method of discovering popular opinion, in that its sessions provide a forum for the airing of diverse views and complaints; its public hearings and its report may be of definite educational value for citizens by awakening more widespread interest in public affairs, disarming prejudice and increasing factual knowledge; and it may discover an acceptable compromise between seemingly irreconcilable political opinions.

The work of many commissions both in Great Britain and in Canada has shown that it is possible to realize most of the advantages and few or none of the disadvantages.

In the Mail . .

More Credit to Mr. Dunning

Editor, The Financial Post,

It appears to me that you are somewhat too critical and take delight in finding fault with our present federal administration.

Certainly it is not perfect by any means but I think you should give Mr. Dunning a little more credit for the way in which he has carried out his duties and the showing he has been able to make under the circumstances such as the drought in the West, which is the cause of the big C.N.R. deficit.

SUBSCRIBER,
Charlo Station, N.B.

Use of Public Funds

Editor, The Financial Post:

In your issue of July 2, you devoted considerable space to a denunciation of the Canadian National management in using public funds to distribute copies of President Hungerford's evidence before the Senate Committee on the railroad problem.

It is just possible, you have permitted your antagonism for the Canadian National Railways to escape the bounds of fact by suggesting a misappropriation of public funds in the dissemination of information, necessary to the public enlightenment. The fact of the matter is, representative members of the Canadian National organization requested the evidence, for distribution among representative organizations, and individuals in the hope an unbiased opinion might be formed of the merits or otherwise, of unification.

For quite some years some newspapers, especially financial, have unwarrantedly, and untruthfully, in many cases, grossly misrepresented the actual conditions of the railway problem. They have allowed the all too obvious anxiety for dividends, for the shareholder, to transcend any real interest they may have for the common, Canadian taxpayer, together with those citizens who would be left stranded, were Sir Edward Beatty's wish to be granted.

The great majority of taxpayers neither trust, nor wish, the unification of the railroads. The writer along with others of the railroad clan believe the railroad problem, as far as the Canadian National is concerned, can be solved independently of the Canadian Pacific. We believe the problem could be solved were it possible to interest the management, the Government, and the organizations, in a "Round Table" conference. We believe 20 to 30 millions of dollars could be added to the Canadian National revenue by adopting certain, if radical, proposals, were we able to secure the interest of the above mentioned parties.

Constructive criticism should be always welcomed in the administering of this vast property, up to the present this criticism rendered has not been of a constructive nature. Why not modify your tactics and come with us in a real solution of the problem. One that will not create hardship on those least able to stand it, but be of benefit to all the citizens of this great country.

JOHN F. DOWNING.
921 Maitland St.
London, Ont.

As Others See Us . . . .

Canada and Britain

Fredericton Mail

Canadians are prone to get a certain amount of satisfaction and relief from income tax distastefulness by casting their eyes toward Great Britain and contrasting the Britisher's minimum of 27% with the Canadian's minimum of 3%.

From surface observation it would seem that in Great Britain taxation is far more onerous than in Canada. But deeper examination shows something different.

John Bull may be diplomatic with foreign courts but when it comes to extracting taxes from his own people he goes at it in a straight line. In Canada we pursue the opposite course. We collect from many sources and also invisibly.

As The Financial Post points out, the Dominion, provincial and municipal governments in Canada spend about $90 per capita per year. Central and local governments in Great Britain spend about $106 per capita per year. But as Britain's national income is 20% greater per capita than Canada's, Canadians are really more heavily taxed. And, most important of all, Britain's taxes have given the country a balanced budget whereas Canadian taxes have not been sufficient to meet expenses and deficits have had to be capitalized. That is the real story behind the headlines.

Other People's Views . . .

Politics in Western Canada

Winnipeg Free Press

The actual political situation in the western provinces should be recognized by the Government at Ottawa. If it thinks that western support is worth having it will need to bestir itself and do more for the solution of western difficulties.

Admitting that the Government's record is not entirely blank, that it has made some tariff reductions beneficial to the West, that it has provided a great deal of relief and is amending the Farmers' Creditors' Arrangements Act to expedite proceedings; and admitting that any Federal Government must follow a policy of compromise to some extent as between eastern and western views, it is still true that the West has reason for feeling that its interests have been neglected and that the Government has ignored some of its pledges. The tariff is still much too high on textiles and other goods. The duty of 25% on cream separators is scandalous. What is to be done about the increase in farm implement prices, two of the causes of which are the fixing of prices by agreement of the companies, and the undue cost of distribution? Is any further action being taken against the combines in various industries? The Government, also, has left a cruel burden of unemployment relief on western municipalities, which its relief works and housing programme will not remove.

The West is naturally inclined to favor a Liberal Government at Ottawa, but western problems are very real and the extent to which the present Government can hold western support and prevent the growth of radical movements will certainly depend on its carrying out its promises, on its grappling with western issues, on its delivering the goods.

Week in Business

Loosened Purse Strings Help Business Picture

Revival of Confidence Brings New Life in Both Canada and U. S. Before Promising Signs of Recovery Have Had Time to Materialize

Most promising product of the present combination of favorable business influences has been the greater confidence becoming evident among industrialists, businessmen, investors and the public generally. This has had the concrete result of loosening purse strings and awakening latent purchasing power, before the promising signs of recovery have had time to materialize on a stable basis.

The elements of hope for resumption of 1937 business pace could not have been injected into the sluggish business stream at a better time. Brisk movement of security values to higher levels not only promoted greater confidence, but also primed the pump of summer purchases. Despite Canadian marriage statistics showing a 6% increase in number of new families during first five months of this year, prospects had been lean for healthy summer buying of clothing, holiday gear, wedding gifts and other consumer goods. Should this priming produce an even flow, the hoped-for upturn in the fall may be well under way by September.

* * *

Coming simultaneously or nearly so with renewed security buying was a firmer and largely upward trend of commodity prices. Inevitable effect of such trends is to promote industrial-commercial buying against further rises, and generally to give a healthier tone to the commercial outlook. Dovetailing with strengthened stock and commodity prices was persistence of reports favoring good crop volume in the West this summer. With the critical July period half over without serious modification of the excellent crop picture, optimism is already being translated into quicker business activity on the prairies.

Still clouding the prospect for the West is the likelihood that lower world demand and generous crops in European countries will both lower the wheat price and increase the unsold carryover to next year.

* * *

With the immediate upward influences already beginning to produce material results—such as the spurt in the D.B.S. current business index for end-of-June—there was tendency to overlook promise of major developments for long-term stabilization. Indications are that developments close to view are obscuring potentialities for broader strengthening of the world economic fabric. Most important factor in such a possibility, which might include adjustment of British war debt and Anglo-U. S. exchange stabilization, is the British-American trade treaty.

In reporting an "optimistic view" that the close of negotiations might be reached by middle of August, Whaley-Eaton Service of Washington comments:

"The proposed agreement is epochal in its possibilities. It represents an attempt by the two greatest trading nations on earth to rehabilitate the mercantile tradition; to substitute to the post-war world a policy of 'business and peace' for a programme of 'threat and war.' It contemplates the employment of economic power in defense of democratic institutions. It is expected to co-ordinate the authority of the capitalistic nations and set the course of civilized progress over the next generation.

"This is a large order, but the Sterling Bloc and the Dollar Bloc, if united as to broad economic and political objectives while still retaining their respective competitive economic positions, would present an almost overpowering strength, to wit: major control of (1) raw materials and (2) finance.

"A chief objective of the agreement will be fair prices for raw materials. This tends to explain recent strength in some raw material markets. It implies American consent to production quotas for rubber, tin, etc. . . . The agreement will necessarily embrace stipulations as to the relative values of sterling and the dollar (that is stabilization), since it would otherwise be unworkable."

* * * *

Even if delayed until the end of the year and ratification held up until early next year, such an agreement would have a far reaching influence in giving a satisfactory answer to the basic question now dominating business: How soon can 1937 levels of activity be regained and passed, and if attained, can the recovery be consolidated?

Business Indicators

Current business spurted during last week of June, D.B.S. index advancing three points over previous week, fractionally above same week of 1937.

Automobile sales (domestic only) down 14% in May under same month of 1937, for passenger cars and trucks combined.

Carloadings failing to recover 1937 volume; off 16% for week ended July 2.

Railway earnings (gross) for two major companies combined 13% below 1937 in first week of July; drop in preceding week, 12%.

Cotton imports (raw) slumped nearly 60% in May, volume for first five months 22% less.

Footwear production for May down 15%.

Sugar manufacture jumped to 94.4 pounds in four weeks ended May 21, an increase of 43%.

Wheat and flour exports in June below 1937 as world buyers wait for North American crop picture to clear; flour shipments off 25%, wheat exports at 7.2 million bushels off nearly five million bushels.

Current trend in Canadian business shown by The Financial Post index of business activity, with new figures for the week marked thus.▲

	July 2	June 25	June 18	June 11	July 3/37
Weekly index, D.B.S.	109.1	106.0	107.0	107.1	108.3
Commodity prices	79.9	80.4	80.2	80.3	86.2
	May	Apr.	Mar.	Feb.	Year Ago
Financial Post index	110.5	109.0	108.9	113.0	122.0
Retail trade index no. of sales	76.5	76.2	77.9	76.4	78.9
Dept. store sales "	73.8	75.8	75.5	76.9	79.2
Wholesale index no. of sales	95.6	89.4	87.8	71.7	95.6
Country sales (% of gains)	*2.2	5.5	0.5	3.7	8.9
Employment D.B.S. Index—	June 1	May 1	Apr. 1	Mar. 1	Year Ago
All industries	111.9	107.4	105.0	107.8	114.3
Manufacturing	112.3	110.6	110.8	110.5	117.9
Living costs♦	....	$17.36	$17.48	$17.39	$17.28
				Jan. 1 to date	
Railways—	1938	1937	1938	1937	
Carloadings, week (July 2)	▲38,372	46,131	1,136,619	1,234,707	
C.N.R. gr. earn., wk. (July 7)	$ ▲2,959,360	$ 3,507,111	$ 85,718,920	$ 98,503,425	
C.P.R. gr. earn., wk. (July 7)	$ ▲2,382,000	$ 2,637,000	$ 63,668,000	$ 69,426,000	
C.P.R. net revenue (May)	$ 422,118	$ 1,574,219	$ 2,169,620	$ 7,065,042	
C.N.R. net revenue (May)	$ •478,614	$ 1,666,250	$ •4,909,400	$ 6,232,761	
Iron and Steel (May)—					
Pig iron production (tons)	71,602	78,147	339,783	345,666	
Steel ingots and castings prod. (tons)	114,859	120,843	561,340	594,433	
Automobiles (Number)—					
Passenger Cars:					
Domestic sales* (May)	▲14,157	16,944	51,788	62,282	
Factory output (May)	13,641	17,980	65,088	79,644	
Trucks and Buses:					
Domestic sales* (May)	▲3,820	4,099	13,196	14,119	
Factory output (May)	4,474	5,478	22,338	25,086	
Exports (May)	5,253	5,075	29,165	27,678	
Financing (May)—					
Used	$ 4,794,541	$ 4,754,834	$ 15,075,292	$ 14,535,558	
New	$ 5,295,003	$ 5,810,739	$ 16,274,424	$ 17,971,623	
Construction—					
Production—					
Cons. contracts (June)	$ 20,928,100	$ 30,369,600	$ 80,655,200	$ 110,375,800	
Cement, bbls. (April)	364,096	371,839	873,104	780,029	
Clay (April)	264,689	289,272	755,737	730,664	
Gypsum, tons (April)	49,579	65,708	68,158	102,360	
Agriculture—					
Flour prod., bbls. (May)	977,740	900,288	4,541,922	5,058,620	
Flour exp., bbls. (June)	▲299,503	389,995	1,651,331	2,076,707	
Wheat exp., bus. (June)	▲7,275,376	12,180,068	25,783,861	43,724,035	
Cattle sales (May)	59,824	54,304	273,523	295,522	
Hog sales (May)	59,396	79,135	320,651	439,876	
Sea Fisheries—(May)‡					
Catch, cwts.	1,078,865	1,150,998	2,261,125	2,312,203	
Landed value	$ 1,888,222	$ 2,402,839	$ 3,969,492	$ 4,677,678	
Newsprint (tons)—					
Production (May)	207,678	310,650	1,058,177	1,475,895	
Exports (May)	209,069	294,725	908,766	1,324,937	
Mining and Oils—					
Coal prod., tons (May)	1,017,337	1,077,669	5,967,907	5,958,415	
Coal imports, tons (May)	1,351,193	1,702,528	3,368,947	4,303,066	
Gold prod., fine oz. (Apr.)	368,439	323,337	1,446,386	1,288,231	
Nickel prod., lb. (Apr.)	20,469,463	20,266,884	74,047,064	71,964,212	
Copper prod., lb. (Apr.)	47,750,255	41,989,288	195,129,628	159,493,890	
Crude pet. prod., bbls. (Apr.)	464,316	188,014	1,815,685	659,655	
Crude pet., imp. bbls. (May)	3,801,000	3,792,717	9,519,976	9,902,716	
Electric Power Output (May)—					
Total monthly m.k.h.†	2,081,935	2,301,167	10,741,884	11,500,794	
Trade—					
Imports (May)	$ 67,123,037	$ 76,707,454	$ 277,745,537	$ 305,147,005	
Exports (May)	$ 72,791,247	$ 105,603,835	$ 337,371,613	$ 420,977,332	
Other Industrial Factors—					
Dressed lumber, exp.:					
M. bd. ft. (May)	124,957	152,758	569,915	680,443	
Boot & shoe prod., pr. (May)	▲1,923,773	2,239,211	9,232,083	10,257,149	
Cotton, raw, imports, lb. (May)	▲3,605,041	8,679,224	46,305,322	60,072,701	
Raw rubber imp., lb. (May)	5,700,660	9,452,674	18,081,374	24,838,547	
Cigarette cons. (May) No.†	592,763	575,520	2,600,334	2,427,117	
Sugar manufactured, lb.§	▲94,408,309	65,774,505	283,874,456	275,509,721	
Finance—					
Bank debits (May)	$ 2,461,867	$ 2,768,765	$ 11,854,491	$ 15,294,091	
Bond sales (May)	$ 205,350,369	$ 160,257,775	$ 580,246,550	$ 615,082,506	
Life insurance (May)	$ 30,342,000	$ 31,858,000	$ 157,588,000	$ 155,078,000	

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to May 21, 1938.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
♦For average family per week, food, fuel, rent. •Deficit. *Decrease.

Toronto Brokers' Loans Rise Slightly in June

Borrowings on collateral of the members of the Toronto Stock Exchange as at the end of June were 23.6 millions, up $627,582 from the end of May. As quoted, the market valuation of all stocks listed on the exchange rose to $4,734.3 millions, a gain of $345.4 millions, the ratio of borrowings on market values was .50% against .52% in the previous month. These figures on collateral borrowings do not include loans on foreign securities nor loans of bond companies, Toronto Exchange members.

Goderich Elevator Volume at Peak

President Looks for Larger Crop—Storage Revenue Down

Goderich Elevator and Transit Company report that cargoes of grain received in the current season to June 20 totalled 3.8 million bushels, higher than any other similar period in the past 10 years. The company secured a substantial portion of the May and June business in export of United States grain moving from Duluth and Chicago, to eastern Canadian points for shipment abroad, states G. L. Parsons, president, but lack of Canadian grains has materially curtailed the storage revenues.

With regard to the coming months, Mr. Parsons says that crop conditions in western Canadian provinces and in the United States are almost ideal, and present indications are for an abundant yield to keep all elevators and transportation systems fully occupied this fall. In the meantime, until the 1938 Canadian grain crop is ready for market, the large carryover of American 1937 grain still remains to ship, which, according to Mr. Parsons, should augment deliveries to Canadian lake and bay port elevators in the next three months.

This information is contained in a letter accompanying the current dividend payment of 25 cents a share made on July 2, maintaining the regular 50-cent annual rate.

As a matter of economy, the company has allowed the contracts which it held with the Trusts and Guarantee Company and The Premier Trust Company, both of Toronto, to lapse, and is now carrying out the work of stock registrar and transfer agents at its head office in Goderich.

Foreign Business

Foreign business conditions are summarized as follows by the United States Department of Commerce:

France—Recession continues in heavy industries but in consumption industries activity is relatively well maintained; repatriation of funds following franc devaluation early in May has tended to strengthen the financial situation.

Italy—A weakening tendency is apparent in several industries, with the backlog of Government orders reduced in some instance and with textile mills shortening hours of work.

Netherlands—Comparisons with business last year are still favorable but the recent trend has been gradually downward.

Jugoslavia—Exports in the first four months of 1938 have declined as compared with last year, while imports have been larger, and April figures maintain this trend.

Turkey—Foreign trade for four months shows a moderate decline in exports and a rise in imports, but in April both branches gained.

British Malaya—Signs of improvement are absent, with stocks of imported merchandise heavy, exports still declining, and export quotas for tin and rubber reduced since June 30.

China—Recorded imports for five months show a decline of 23% from last year and recorded exports a decline of 37%.

Brazil—Activity declined further during June owing to the reduced agricultural purchasing power, the generally uncertain outlook and curtailment of industrial production.

Costa Rica—A greater than seasonal decline occurred in business during June and the rise in local prices, especially of rice, has caused some apprehension.

Panama—The general situation remains fairly satisfactory despite a decline in imports owing to reduced tourist trade.

Background of Business

Foreign Trade Meet

The Canadian Chamber of Commerce has accepted an invitation to participate actively in the Canadian session of this year's National Foreign Trade Convention, to be held in New York from Oct. 31 to Nov. 2 inclusive. Arrangement of the programme of this session has been assigned to the foreign trade bureau of the Canadian chamber, and a large delegation representing Canadian businessmen is expected to attend.

* * *

Urges Freer Trade

Of particular interest to Canadians is a recent bulletin of the National Foreign Trade Council of New York, drawing attention to the stand on foreign trade taken by the council's chairman, James A. Farrell, in a published statement. The council sees special significance in Mr. Farrell's warning that American industry has reached a point where it needs greater foreign markets, in view of the United States $500 millions excess of exports over imports during the first five months of this year. In effect, the council emphasizes that to expand its market American industry must have freer trade relations with other countries—in other words, must buy as well as sell. The current excess of exports over imports has piled up blocked balances in a number of foreign countries for American exporters. He is critical of objections to the proposed trade agreement with Great Britain, urging that concessions be made for the sake of expanding American trade.

Publicizing of Mr. Farrell's stand at this time is of potential value to Canada, especially in view of our loss of export trade because of recession in the U. S.

* * *

Holidays on Monday

Further support for the proposal to have all statutory holidays fall on Mondays comes from Canadian Automotive Trade. It is pointed out that the inconvenience, confusion and disruption of business arising out of the May 24 holiday was repeated on Dominion Day. The paper comments:

"Again on July 1 the actual date fell on Friday, and much business confusion was caused, with some places closing for the Saturday and others remaining open. Had the holiday been transferred to Monday, a most desirable week end would have been enjoyed by everybody and no business confusion have occurred. Parliament must tackle this question of holiday dates. It is not necessary to violate religious or any other sentiment to change Victoria Day, Dominion Day and Remembrance Day."

* * *

Harassing Business

The confusion and harassment of legitimate business that has arisen from many of the ostensibly labor-aiding decrees of Quebec authorities is further illustrated by a fresh protest forwarded to the Quebec labor minister by the Canadian Manufacturers' Association branch office in Montreal. Along with numerous other business and industrial bodies, the C. M. A. has attempted to get rectified the glaring failure of some of Quebec's fair wage ordinances and collective labor agreement regulations to take actual conditions into consideration. There is, for instance, the continuing objection against requiring building maintenance men, who are mostly paid on a salary basis the year round, to be paid the same hourly wages granted to regular construction workers, whose employment is intermittent. And now, according to Bus & Truck Transport, the C. M. A. is protesting against the draft garage industry agreement, which brings under its sway all places where cars are repaired, regardless of whether they are accessible to the public.

The report quotes the C. M. A. as insisting that application of the agreement to companies operating garages for their own trucks would lead to "further chaos and confusion." General objection is lodged against "the growing number of ordinances and decrees" which not only threaten business, but also the workers they are supposed to benefit.

* * *

Buying Shrinkage

Dominion Bureau of Statistics check for May on 700 stores in Canada's small towns and rural areas shows decreases in sales, in comparison with May of last year, of 10% in Saskatchewan, 6% in Ontario and 4% in Alberta. The declines in these three provinces pulled down the average for the Dominion to 2% below May, 1937. Quebec sales were up 3%, those in Manitoba up 2%, and British Columbia, 1% higher. Maritime sales gained fractionally.

Employees' Shares

From Our Own Correspondent

MONTREAL. — The Bell Telephone Co. of Canada has notified the Montreal Stock Exchange of the issuance of four additional shares of common stock in connection with the employees' stock plan.

Could a Burglar Steal your Vacation?

Your town house, unoccupied while you are on vacation, is a menace to your Peace of Mind as well as your pocket-book. The chances of burglary double when houses are temporarily vacated.

Adequate burglary insurance is the best safeguard against this common hazard. Such insurance will cost you little — give you much in real security and in relief from worry. Any Employers' representative will gladly help you determine your burglary insurance requirements.

Founded 1880

THE EMPLOYERS'
LIABILITY ASSURANCE CORPORATION
LIMITED
MONTREAL WINNIPEG CALGARY TORONTO VANCOUVER
ALL CLASSES OF INSURANCE TRANSACTED

Busy Without a Boom

British Business Conditions Said Satisfactory—Chain Stores Extend

By H. L. SOUTHALL

Editor-in-chief, Business Newspapers, The MacLean Publishing Company, Limited

LONDON.—Always an important market for the buying and selling of merchandise, London has become a style and fashion leader. Buyers from all over the world crowd the hotels. Fur auctions and other big markets, which formerly existed in continental countries, have come to London because of the unsettled conditions in those countries. There are so many buyers here that it is difficult to get accommodation in the popular commercial hotels.

Everything appears busy. Stores are crowded. It is a fact, however, that business volume at the moment in this country is not quite up to that enjoyed a while ago. The department stores have noted a falling off in trade, and the chain stores are crowing a bit about the fact that their limited price stores are doing a good business and holding up well because that type of merchandise is more in demand in reduced purchasing power. There is no depression, however. It is simply that there is no boom.

Shortage of Materials

In areas of armament production there is employment on an active scale, but the prosperity incidental to that production is confined largely to such areas. Curiously enough it is the prosperity in that field which has been partly responsible for the less satisfactory conditions elsewhere, as there is an actual shortage of some materials and labor which would ordinarily go into building construction.

Active Housing Programme

Wherever I have travelled through Scotland and England I have seen tremendous quantities of new construction, private speculative building of homes and apartments and of apartment houses for workmen built under the national slum clearance plan. Under the latter plan the Government insists upon the local authority or municipality clearing up slum districts by building new apartments and renting them to people who have been moved from slum buildings, which are then pulled down.

When I see such activity I cannot help but think of the attitude adopted in certain Canadian cities on slum clearance and rehousing programmes. Slum clearance in the British Isles is regarded as a national matter. It is being carried out in its relation to parks, industrial areas, transportation. The Government decides upon the plan and the local authorities act. It advances money to help in construction. There is a minimum of overlapping of authority. In Canada where we have Dominion, provincial and civic authorities to deal with the situation there appears too much room for conflict of policy and old-fashioned buck-passing.

Chain Store Extension

Chain stores are extending rapidly in the variety or limited price classification. Stories are told of sudden riches being made by opportunists in this field. Woolworths are extending, and with six months of the current year over, are said to be keeping profits up to last year's record level. Ten more stores have been opened this year, bringing the total in the U. K. to 721. Trade recession is reportedly bringing new custom at the expense of higher class stores.

Another comparatively new chain in the same field is Littlewoods, with headquarters in Liverpool, and stores in that city, in London and elsewhere. The proprietors are reputed to have made a killing in operating football pools, and later in mail order business and have now gone into the variety chain store field. I understand they plan shortly to open up many new stores throughout the south of England.

Chain stores are coming in for increasing attention at the hands of taxing authorities here, but they have not suffered much as yet. They and the co-operative stores, which are also rapidly increasing, are taking steps to head off increased taxation by claiming exemption from some of the existing taxes. The co-ops. particularly are claiming exemption from a new tax which has recently been applied upon profits, claiming profits are redistributed to the working people of the community and not paid to shareholders as in the case of other companies. They claim that many of the members of co-ops. use their "divvies," as they call their dividend disbursements, as a means of forced saving.

There seems some logic in this, as I have found that the co-ops. get an even higher price than independent retailers on many lines. The members know this, but they come to look upon their periodic "divvy" from the co-op. as giving them the wherewithal to meet the rent or other expense. Such distributions are often made prior to some big public holiday. Many concerns take into consideration the time of such dividend disbursements in planning promotional campaigns to sell other products, services, holidays, because it is a big item in the spending of the nation.

EXPERIENCE AND STABILITY

The many years of investment experience and the facilities of an extensive organization are placed at the service of our clients. This service may be secured at any of our branches.

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

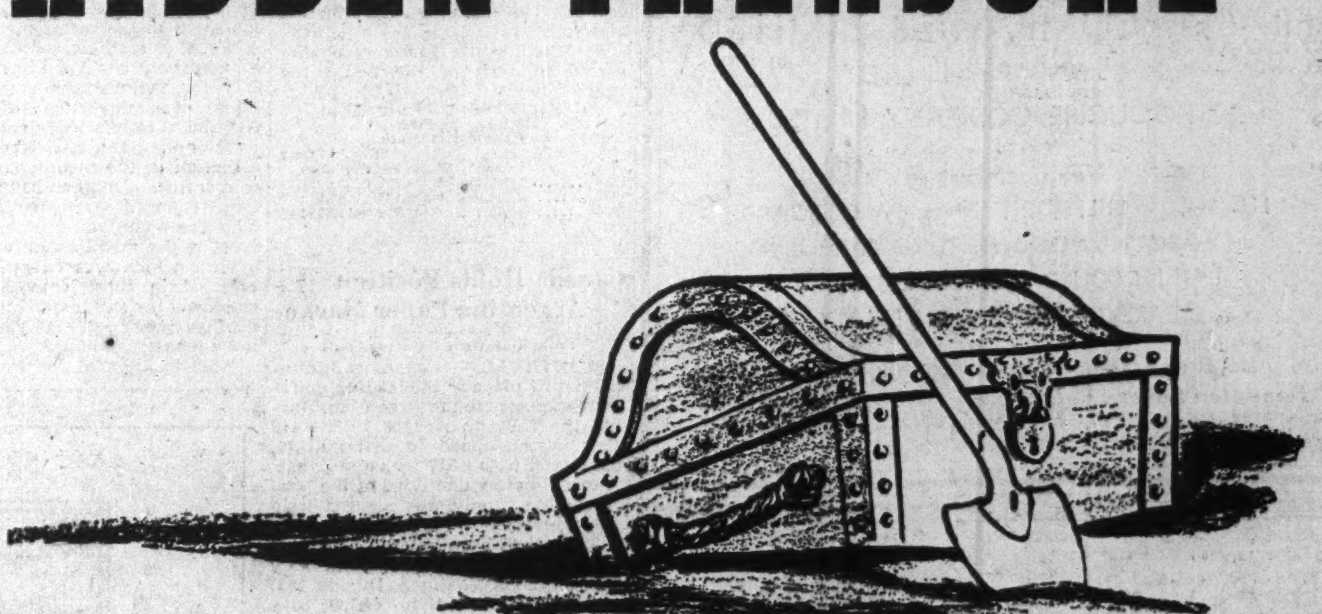
McLEOD, YOUNG, WEIR & CO.
LIMITED
INVESTMENT SECURITIES
TORONTO
Metropolitan Building
OTTAWA
Ottawa Electric Building
LONDON
Richmond Building
MONTREAL
231 St. James Street
HAMILTON
Spectator Building
Correspondents in New York and London, England.

Are There Still Profits in This Market?

A letter giving suggestions will be mailed on request.

F. H. DEACON & CO.
ESTABLISHED 1897
Members The Toronto Stock Exchange
197 BAY STREET TORONTO PHONE ELGIN 3401
F. H. DEACON F. COULTER DEACON H. L. EDMONDS JOHN S. DEACON

HIDDEN TREASURE



Nearly every business has its wealth of hidden treasure . . . . buried through inefficient management, inadequate production methods, high costs, poorly conceived advertising and sales procedures, or any other operation . . . . and only by an expert search can this treasure of increased earnings be found.

That is the function of the George S. May organization . . . . to uncover the places where these potential earnings are hidden. Wherever they are, May engineers . . . . thoroughly trained in all phases of modern business . . . . can by a searching and impartial analysis bring to light hidden possibilities for greater profit.

No matter what your problem, it will pay you to consult the nearest George S. May office. A consultation will not obligate you in any way and may prove of great value.

ENGINEERS
GEORGE S. MAY, LIMITED
TORONTO · 320 Bay Street · MONTREAL · 1253 McGill College Ave.

Pulp and Paper Industry

Publishers' Stocks of Newsprint Nearing Normal

June Returns Will Show Small Drop In Operators' Stocks — Shipments Up

From Our Own Correspondent

MONTREAL. — Canadian and Northern American newsprint production in June was a trifle under the returns for May. Shipments showed a minor increase and the supply of newsprint with manufacturers dropped 7,500 tons.

The more favorable trend last month indicates a further tightening up on production, so as to keep output in line with shipments. The preliminary figures would indicate a production by Canadian mills of around 200,000 tons, as against 207,678 tons in May. Including the United States and Newfoundland, the North American production figures are expected to aggregate just over 290,000 tons.

Canadian production last month was 201,694 tons and shipments 208,476 tons. North American mill supply at end of month was 287,443 tons, against 294,949 tons at close of May.

Output of American mills in June was 65,382 and shipments 66,204 tons. Newfoundland reports 20,189 tons and shipments 20,091 tons.

Compared with June last year, Canadian mills report a drop of 35.4% in production, United States, 32% and Newfoundland 10.8%. Shipments compared with year ago are down 31.3% in Canada, 46.4% in the United States and 13.3% in Newfoundland.

Publishers Make Drawdown

Judging by the volume of shipments last month and the reported volume of advertising in the United States, the publishers again drew upon their surplus stocks to meet full requirements.

It is difficult to say at this time whether the drawdown was as great as in May, but if that happens to be the case, then the American publishers' supply should be getting very close to normal proportions. At the end of May, 461 members of the American Newspaper Publishers Association, reported stocks of 378,057 tons, a drop of 30,667 tons from the previous month. This was equivalent to 50 days' supply.

These figures represent about 80% of the returns for all American publishers, and if stocks were not down to normal at the end of last month, there is every confidence that they will be there at the close of July.

Hearst in Hand

It is known that the Hearst newspaper chain has not only cleaned up its surplus supply, but has eaten into the regular reserve. Many of the small publishers do not carry more than a few days' supply. So that outside of a few of the larger metropolitan dailies, or chains, the publishers' newsprint stock situation is more or less on a normal basis.

The next step is for the manufacturers to get their stocks back to normal proportions. This means a further curtailment of operations throughout July and possibly into August.

Expect Advertising Revival

The speed with which these stocks will be absorbed depends, in part, upon the pick-up in business this fall. There are plenty of stories going the rounds that the spending policy of the Roosevelt Administration already has brought about an increase in national advertising and, to a lesser extent, in local advertising.

Late fall advertising schedules are on a better basis; at least judged by those already received by the publishers. But up to date there is no factual basis for the belief that the advertising trend in the United States has changed. The returns of Media Records Inc., regarded as an official source of information on advertising linage, fail to show a change for the better. Prospects are promising, but at this time there is no point in leaning heavily on the hope that increased advertising will quickly bring about a liquidation of surplus newsprint stocks.

The half-yearly figures of the newsprint industry are awaited with more than ordinary interest this year. When all returns are available, it will be possible to make a very close estimate of how long it will take to liquidate the surplus stocks. Also it will be possible to forecast with a fair degree of accuracy the trend of consumption during the balance of the year and, in turn, the ratio of operations in the Canadian newsprint mills.

Freight Loadings Following Trend

From Our Own Correspondent

MONTREAL.—Revenue freight of pulpwood and pulp and paper handled by Canadian railways shows about the same trend as mill operations. At present the mills are operating at about one third less than a year ago and the carloadings of pulpwood and pulp and paper have declined in about the same proportion.

Comparative figures for the week ended July 2 and cumulative returns to date for 1938 and 1937 follows:

Carloadings of Pulpwood	
Week ended July 2, 1938	1,159
Week ended July 3, 1937	1,874
Year to Date	
1938	54,665
1937	44,416
1936	32,996
Pulp and Paper Carloadings	
Week ended July 2, 1938	1,224
Week ended July 3, 1937	2,143
Year to Date	
1938	44,825
1937	71,413
1936	58,427

U. S. Paperboard Output Records Seasonal Decline

From Our Own Correspondent

MONTREAL. — Paperboard production in the United States during May showed a seasonal decline, mill operations being 59.2% of rated capacity against 61.2% in the previous month, and 86.4% a year ago.

For the first five months of current year, the American mills produced 1,458,568 tons of paperboard, equal to 58.1% of capacity. This contrasts with 2,001,285 tons, or 89.5% of capacity for the same period of 1937, and with an output of 1,413,000 tons or 58.8% of capacity for the like period in 1936.

New orders received during May show slight improvement, amounting to 281,401 tons, while the unfilled orders at the end of the month at 76,701 tons were the largest of any month since January.

F.T.C. Newsprint Inquiry Goes On

Field Survey Report Is Likely to be Submitted by Next Month

From Our Own Correspondent

MONTREAL. — Work is progressing on the newsprint paper investigation which is being made by the Federal Trade Commission for the United States Department of Justice, according to the Paper Trade Journal. The investigation is covering not only newsprint manufacturers and jobbers, but it is understood that the Commission has requested information from certain publishers.

According to the Commission's officials, it is anticipated that the field work on the survey will be completed this month and it will take about a month to write the report for the Department of Justice. It is expected, therefore, that the report will go forward about the middle of August.

It is said that the report will cover the points raised in the resolution, not only as to whether the decree entered into in 1917 against newsprint paper manufacturers is being violated, but also whether there are any other violations of the Anti-Trust Laws in the newsprint industry not covered by the decree.

Cellulose Plastic Trade In U. S. Reports Progress

From Our Own Correspondent

MONTREAL.—Returns of the cellulose plastic industry in the United States indicate that the production of cellulose acetate, while running well under that reported in 1937 or 1936, is below shipments and the amount consumed in the reporting companies plants. The inference is that the operators are making a determined effort to clean up stocks so that upon a return to normal demand, the industry will be in a position to step up production materially.

Returns for the January to May period in each of the last three years follow:

(5 Month Period, January-May)
(Returns in Pounds)
Cellulose Acetate

	Output	Shipments	Used in Own Plants
1938	1,357,457	1,380,121	35,127
1937	6,324,997	6,315,187	45,322
1936	4,452,791	4,435,790	122,722

Canada Holds Position Argentine Paper Market

From Our Own Correspondent

MONTREAL. — Canada continues to hold its place as the leading newsprint exporter to the Argentine. During the first quarter of 1938, 9,446 tons were shipped to that market, compared with 8,517 tons a year ago. Approximately one third of the total Argentine supply was secured from this country.

There has been a steady increase in shipments of newsprint from Canada to the Argentine. During 1937 exports amounted to 64,769 tons, compared with 55,284 tons in 1936 and 75,263 tons in 1935.

Sees Canada Freer of U. S.

L. S. Amery Believes Economy Is Becoming More Independent

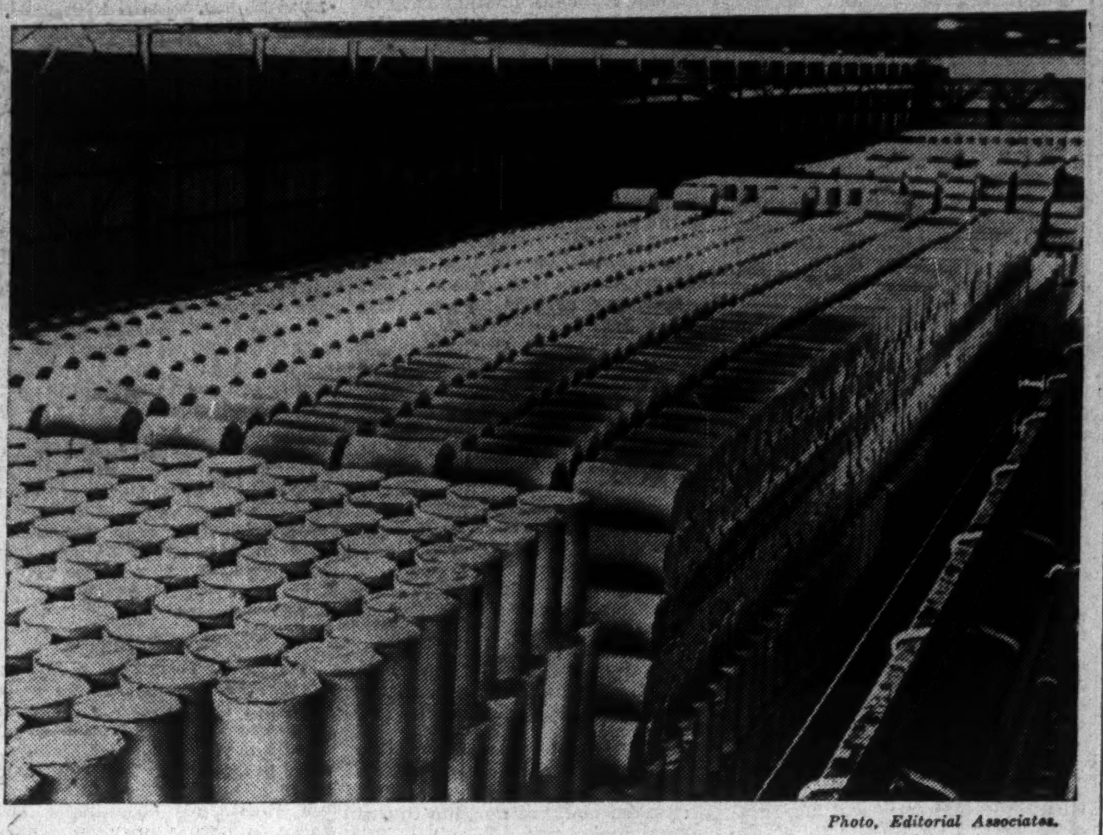
Drought conditions in Saskatchewan have been responsible for the disappointing operations of The Trust & Loan Co. of Canada, Rt. Hon. L. S. Amery, M.P., president, told shareholders at the company's annual meeting in London, Eng.

Referring to the possible effect of business recession in United States on the Dominion, the president stated that: "The increasing range of Canada's industries and, in particular, the great development of her mineral resources, as well as the advantages offered to her export trade under the Ottawa agreements, have undoubtedly contributed in making her more independent, economically, of her great neighbor to the south."

While it was stated that definite assurance could not be forthcoming, the president saw little probability that the company would make a further call upon shares in the near future.

A reduction in assets from £3,730,834 ($18,654,170) to £3,600,160 ($18,000,800) in the fiscal year ended March 31, 1938, reflects reduction in short term debentures. These were reduced from £1,563,000 ($7,815,000) in 1934 to £682,278 ($3,411,390) at March 31, 1938.

The company received mortgage principal, chiefly from Montreal, and was able to liquidate land investment in Manitoba, making possible reduction of debentures.



Photo, Editorial Associates.

Both operators' and publishers' stocks of newsprint will show a drop in the next monthly returns.

Newsprint Committee Denies Making Trouble

Blames "Financial Interests" for Trouble With Producers

From Our Own Correspondent

MONTREAL.—"Newsprint Prices in 1938," a pamphlet on the newsprint situation distributed by the Toronto investment house of Cochran, Murray & Co., was liberally interspersed with outright condemnations of the "evil machinations" of the Newsprint Committee of the American Newspaper Publishers Association.

Not for one moment does the A.N.P.A. believe that its committee is responsible for the basic differences between the publishers and the newsprint manufacturers. Rather does it lay the blame on the "passing of control of the industry from bona fide newsprint manufacturers to financial interests."

The A.N.P.A. answer to the charges made in the pamphlet follows:

"It is to be regretted that in such a carefully prepared document, the basic cause of the long-standing trouble between the Canadian manufacturers and their American customers has been quite overlooked in favor of a smashing attack on the Newsprint Committee of the A.N.P.A. as the bedevilers of the situation.

"It is suggested that, if left to themselves, the publishers would have acted differently, an inference, which cannot be reconciled with the fact that the Newsprint Committee derives its authority from and is responsible to the membership of the A.N.P.A. as a whole, which meets in convention every April in New York City for the purpose among other things, of passing judgment upon the Newsprint Committee's activities.

"Excepting the criticism made by a section of the membership in the conventions of 1929 and 1930 that the Paper Committee was too inclined to take the manufacturers' part in respect to the stabilization of prices—a view which was overwhelmingly rejected in these conventions—the actions of the Paper Committee have, during the past 10 years, been unanimously endorsed.

"The attitude of the Paper Committee toward the Newsprint Institute and its successors has consistently reflected the dissatisfaction of the A.N.P.A. membership with the arbitrary attempts that have been made to establish newsprint prices without regard for the law of supply and demand at levels necessary to sustain an overexpanded industry on a part-time basis.

"It is believed by the publishers that this situation is due to the passing of the control of the industry from bona fide newsprint manufacturers to financial interests, which were directly or indirectly implicated in the overexpansion and overcapitalization of the industry; and these powerful interests have subjected themselves to the pressure of provincial governments which, through proration of tonnage, have sought to provide more employment in various communities than would have been available if the more efficient mills had been allowed to run to capacity."

Kraft Paper Price Boosted $10 a Ton

From Our Own Correspondent

MONTREAL. — Cancelling the reduction of last month the price of kraft wrapping paper in the United States has been advanced $10 a ton to $80 a ton, less 5% discount.

A year ago kraft wrapping paper was selling for $85 a ton, but weakness which developed late in 1937 and early this year as a result of the smaller volume of business, carried the price down to a net of $66.50 after the discount, in some quarters. This price was not general, however, and higher prices were asked by some producers.

In the kraft paper bag business, some manufacturers finally took a firm stand and refused to meet price competition.

Southern Kraft Corp. Opens Springhill Plant

From Our Own Correspondent

MONTREAL. — Southern Kraft Corp., a subsidiary of International Paper Co., has started operations at its $12 millions Springhill plant. For the time being the company is operating one paper machine, as well as producing quantities of brown pulp. Bleaching sections are ready for operation, but immediate production will centre on the brown product. Some pulp, bleached and unbleached, will be shipped to various International Paper plants.

As rapidly as operations of all departments can be synchronized into high speed, various other sections of the plant will go into operation. No definite date for full production has been set.

Shawinigan Completes Write-off of Discounts

MONTREAL.—Supplementary letters patent have been taken out by Shawinigan Water and Power Co., confirming the arrangement by the shareholders whereby the item of bond discount, premiums, etc., amounting to $4,555,450 was written off against the value of the capital stock. The latter was reduced from $72,118,447 to $67,562,996.

There was no actual change in the equity behind the capital stock, as the transaction was merely a bookkeeping item.

FRASER COMPANIES LIMITED
FRASER PAPER LIMITED
RESTIGOUCHE COMPANY LIMITED

Manufacturers of
LUMBER SULPHITE PULP PAPER BOARD
GROUNDWOOD PRINTING PAPER
BLEACHED SULPHITE PAPER
"RESTICOSE" RAYON PULP

Executive Office:
Dominion Square Bldg.,
Montreal, P.Q.

General Office:
Edmundston,
New Brunswick

ANGLO-CANADIAN
PULP AND PAPER MILLS
LIMITED
Manufacturers of
NEWSPRINT PAPER
CAPACITY: 600 TONS DAILY
OFFICES and MILLS at QUEBEC CITY
Direct Connection With Both Canadian Railways
Privately-owned Wharf on Tidewater

INCREASE OFFICE EFFICIENCY
WITH
"DUNLOPILLO"
CHAIR CUSHIONS

So porous, "it breathes"!..so buoyantly resilient that it yields to the slightest pressure and provides matchless comfort and relaxation in every posture . . . "Dunlopillo" Cushioning is banishing "chair fatigue" and improving office efficiency in hundreds of businesses.

Ask your nearest stationer or office supply house today about this modern cushioning. In three business styles: Standard, Executive and Stenographic.

"Dunlopillo" Cushioning is made exclusively in Canada under license, by Dunlop Tire & Rubber Goods Co. Limited.

DUNLOP
CANADA

Priceless Experience

EXPERT
and
EXPERIENCED
Engraving and
Printing of

Bank Notes
Bonds
Debentures
Stock Certificates
Cheques
Drafts
Postage and Revenue
Stamps
and other Monetary
Documents

● During the past century the ways of Banking, Business and Commerce have changed in many particulars.

But time has not changed the need for "money symbols". Stocks, bonds, bank notes, stamps and other engraved monetary paper, have increased in use and importance.

Much priceless experience has been gained in the more than 100 years since we first embarked in the exacting business of fine engraving. This experience—the outcome of which is exceptional human and mechanical skill—is at your disposal for the preparation of engraving work large or small.

3-37

CANADIAN BANK NOTE COMPANY
Limited

HEAD OFFICE
and WORKS
OTTAWA

BRANCH OFFICES
TORONTO
MONTREAL

MERSEY PAPER
Company, Limited

Makers of Fine Newsprint

Located at Tidewater and having
facilities for shipment by steamers
at all times of the year to all the
ports of the world

LIVERPOOL, NOVA SCOTIA

PRICE BROS.
& Company Limited
NEWSPRINT and BOARD
Mills : Saw Mills
SULPHITE BLEACHED SULPHITE
FOURDRINIER SPECIALTIES

Newsprint Mills at Kenogami, Riverbend, Jonquiere
HEAD OFFICE PRICE HOUSE QUEBEC CITY

Abitibi Power & Paper
Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies,
mills at

Beaupre, Que. Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. Iroquois Falls, Ont.
Espanola, Ont. Smooth Rock Falls, Ont.
Pine Falls, Man. Fort William, Ont.
Port Arthur, Ont.

Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

EXECUTORS
MONTREAL TRUST COMPANY
TRUSTEES

Montreal Trust
COMPANY
61 Yonge St.
Toronto
J. F. Hobkirk, Manager
ADMINISTRATORS
TRANSFER AGENTS
REGISTRARS • RECEIVERS

The Girl Delivers the Message . . .
INTERNATIONALS
DELIVER THE GOODS

Everywhere you go, smiling girls remind you of "the pause that refreshes" with ice-cold bottles of Coca-Cola. And have you noticed, too, how people turn to look at the Internationals that are used to deliver Coca-Cola? This eye-arresting quality is a real prestige builder in the bottled beverage business.

On top of that, Internationals deliver Coca-Cola on a rock-bottom economy basis. More and more businesses with years of hauling experience are turning to International Trucks.

Sound ALL-TRUCK construction in every model of the complete International line insures low operating costs in every hauling field. And from lowered costs come increased profits—**plus the prestige** of International Trucks. Traveling advertisements for your business!

If the hauling of any type of load is a load on your mind, it will pay you to get an International demonstration. The International dealer or branch in your city will work it out for you without obligation.

INTERNATIONAL HARVESTER COMPANY
of Canada, Ltd.
Hamilton Ontario
Truck Factory Located at Chatham, Ontario

International Cab-Over-Engine Model D-300 — the ideal truck for close work in crowded traffic. Short turning radius, maximum loading space, perfected load distribution, and a completely comfortable cab make this truck a stand-out in the low-price 1½-ton field.

INTERNATIONAL TRUCKS

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Abitibi Bonds

I have noticed that Abitibi bonds have moved up in daily quotations and was wondering if this meant that there was a chance of receiving an interest payment.

Bonds of Abitibi Power & Paper Co. have moved in line with the stock market. They are definitely speculative and when conditions are favorable large gains may be shown. It is extremely unlikely that any interest payment will be made on these bonds for some time to come. Interest is in arrears for six years now, and efforts have been made for over a year to reorganize the company and place it in a position to give some return to bond and shareholders. So far these efforts have been unsuccessful and until reorganization is completed there is very little prospect that bondholders will receive any payment of interest. The company is being operated by a receiver and manager.

Andian National

I have recently sold my Andian National Corp. shares because of a belief that the dividend would be reduced when the company made the $6 a share capital distribution. I was also influenced by the discovery that, after not publishing reports until recently, the company was paying more in dividends than its profits. I would appreciate your comments.

We do not think that because Andian National Corp. is making a distribution of capital a reduction in dividends will necessarily follow. While it is possible that sometime the dividend might be reduced, we do not think that it would be because of the capital distribution just announced.

The company's pipe line was built in 1926, with additions and changes made at various times since then. The original part of the pipe line has been depreciated and reserves set aside to a substantial amount. The latest balance sheet of the company shows its assets in land, pipe line, buildings, plant and other items at $25.4 millions, against which depreciation and amortization reserves total $22.1 millions, leaving a balance of only $3.3 millions. The $6 a share is apparently repayment of capital no longer needed by the company.

Although Andian National has not issued a separate annual report prior to 1934, it is only in the last three years that it has been paying out more in dividends than it has been earning. It is certainly not reasonable to assume that this was the case in prior years, or otherwise it would not have been able to build up the exceptionally strong position which it shows, nor to provide the huge financial reserves.

Fairchild Aircraft

I would like your opinion on Fairchild Aircraft stock. What prospects has the company of increasing its business? What is the financial setup and what is its bonded indebtedness? Has the company ever paid dividends?

There has been a revival of interest in aviation stocks and Fairchild Aircraft, as an established concern, has been regarded with favor as a company having speculative possibilities. At present Fairchild has a fair volume of business on its books and if the much-talked-of Government orders materialize, then the company would be in a fair way to establish an earning power back of its stock. At present Fairchild has an outstanding capital of $600,000 divided into 120,000 shares of a par value of $5 each. The company has no bonded indebtedness. No dividends have been paid on the stock.

International Paper

What do you think of the common stock of International Power and Paper Co.? It has been recommended to me as a good purchase.

International Power and Paper common is regarded as a speculative issue. The company has been hit by the depressed market for pulp and paper products, and earnings have declined sharply from those reported last year. If, on the other hand, business picks up this fall the company should be able to place its operations on a profitable basis. It is hardly to be expected at this stage, however, that operations for 1938 will result in much profit on the common stock. It would seem that a better buy would be the company's preferred stock which has a small amount of arrears and is practically the senior obligation of the company.

C. I. P. Bonds

Please inform me concerning Canadian International Paper 6's due 1949—does this company bear any financial relationship to International Paper and Power Co.?

Canadian International Paper Co. is controlled by Canadian International Paper Ltd., which in turn is controlled by International Paper Co., and the latter in turn controlled by International Paper and Power Co.

Public investment interest in C.I.P. is largely confined to the 6% first mortgage bonds. All obligations in connection with these bonds have been met regularly by the company. In 1937 all interest charges were earned 1.39 times before depreciation and depletion and 0.89 times after depreciation and depletion. Earnings of the company for the first half of this year are understood to be somewhat less than in the like period of 1937, but there is no question of the ability of the company to continue fully servicing the first mortgage bonds.

Orange Crush

Could you furnish me with information as to recent progress of Orange Crush?

Operations of Orange Crush, for the first seven months of the year ending Oct. 31, 1938, have shown good improvement. The company's business is subject to seasonal fluctuations and the winter months are ordinarily not very satisfactory. But improvement was shown last winter over the preceding period, and for the seven months to the end of May a small net profit has been realized. In the corresponding period a year ago the company had a small loss. June, one of the best months of the year, is so far well ahead of June last year.

We are informed that there is a good chance that net profits will be sufficient to leave a balance of about $1 a share available for the common stock in the year ending Oct. 31, 1938, and that there is an excellent chance of payment of a small dividend on the common.

In 1936, Orange Crush carried through a capital reorganization which enabled the company to write off an accumulated deficit, eliminate arrears of preference dividends and place annual dividend requirements for the preference stock more in line with prospective earning power. As a consequence regular payments have been made on the preferred since they became cumulative from Nov. 1, 1936.

In the year ended Oct. 31, 1937, Orange Crush net profits were equivalent to $1.23 a share on its new preferred stock, on which annual cumulative dividends of 70 cents are paid, and 35 cents a share on the common.

Imperial Dividends

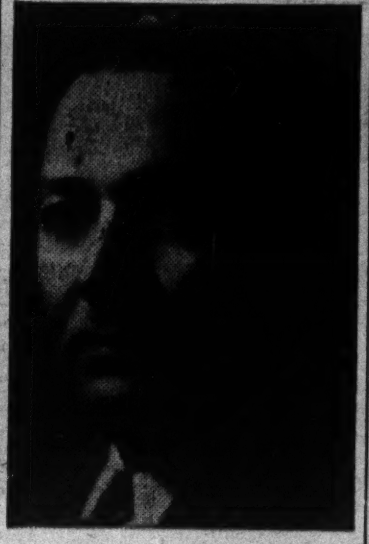
Could Imperial Oil's dividend policy be regarded as in part a return of capital and can it continue indefinitely unless profits increase?

We have always regarded the dividend policy of Imperial Oil for the past three or four years as being in one sense a return of capital. During that period the company has been paying out more in dividends than it has been reporting in earnings. Much of these large payments are being made from unused depreciation reserves, but it is quite evident that this policy cannot go on indefinitely. On the other hand, we have had no suggestion of an early change in policy.

Price Bros.

What are the prospects for Price Bros. preferred? Will they be able to meet the dividend when it comes due with conditions the way they are?

Price Bros. and Co.'s financial statement for the year ended March 31, 1937, the first to be issued since the company was reorganized, showed a net loss of $293,913 after depreciation, depletion and interest charges. The deficit was equivalent to $4.68 a share on the preferred stock. At present operations of the company are on a curtailed basis and earnings can hardly be as good as they were at this time last year. However, prospects are that there will be a betterment in market conditions and as the company still has about nine months to go on its current fiscal year, it is rather difficult to say at this time just how the year will shape up. With maintenance of the present price of newsprint, and a better demand over the next nine months, the results should not be unsatisfactory, all things considered. Whether or not the company will be in a position to pay the dividend on the preferred stock, which accumulates from January 1, 1939, depends upon developments in the interval. On the other hand, if there is no improvement, then it is questionable if the management will undertake to pay dividends.



NEW SALES HEAD

C. A. Tellman, vice-president of the Lasalle Coke Co., whose appointment as general sales manager became effective July 1. Mr. Tellman, since 1929, held the office of secretary-treasurer of the Montreal Coke & Manufacturing Co.

B. C. Pulp

I am holding B. C. Pulp and Paper common. Would be very pleased if you would give me all the information you can regarding this company.

British Columbia Pulp and Paper Co. manufactures sulphite pulp suitable for conversion into high-grade papers and rayon. It operates two plants, one at Woodfibre, the other at Port Alice. Capitalization includes $3,130,500 of 6% first mortgage bonds; $1,223,500 of 7% general mortgage bonds; $556,200 of 7% cumulative preferred and 100,000 shares no par value common stock.

The financial history of this company has not been a particularly happy one. In 1933 and 1934 the company found it necessary to seek concessions from the first mortgage bondholders, but at present no interest is overdue on these bonds. Interest payable on the general mortgage bonds from May 1, 1932 to May 1, 1937, was postponed until Nov. 1, 1940, while sinking fund payments due prior to Nov. 1, 1941, were cancelled. Interest due on Nov. 1 last was paid in cash, but the arrears at the end of 1937 totalled $524,643. No dividend has been paid on the preferred stock since August 1, 1931, and the arrears at Feb. 1, 1938, totalled $45.50 a share. Considerable progress was made by the company in 1937, when $1.86 a share was earned on the common. However, since that time the market for sulphite pulp has become worse and at present both the Woodfibre and Port Alice plants are closed down. Prospects of the company earning its bond interest charges this year are somewhat remote and the common stock cannot be considered other than speculative.

Power Corp.

Will you please let me have your views on the common stock of Power Corp. of Canada? In particular I would like to know something about the earnings and the value of the company's investment.

In the fiscal year ended June 30, 1937, Power Corp. of Canada reported earnings of 73 cents a share on its common as against 50 cents a share in the preceding 12 months. The equity behind the common stock rose to $19.01 from $15.01 during the year. For the six months ended Dec. 31, 1937, earnings on the common were equal to 50 cents a share as against 27 cents a share for the like period of the previous year.

Indications are that earnings for the year ended June 30, 1938, will be somewhat larger than in the 1937 fiscal year. On the other hand there is no means of telling how the equity will shape up. Since the close of the last fiscal year there has been a sharp decline in security values which has affected the value of Power Corp's investment portfolio. On the other hand the improvement in the market during the past three or four weeks has been of considerable benefit to the company and the decline in the market value of the investment portfolio may be only nominal.

Corporation Securities

	Price	Approximate Yield to Maturity
Beauharnois Light, Heat and Power Co. 5% Second Mortgage Bonds Due January 1, 1978	85.50	5.96%
Canadian Pacific Railway Co. 3% Convertible Collateral Trust Bonds Due October 1, 1945	90.25	4.55%
Gatineau Power Company 5% Sinking Fund Debentures Due June 1, 1949 Carrying warrants to purchase common stock at any time prior to December 31, 1942, at $10.00 per share. ratio 10 shares for each $1,000 bond.	100.50	4.94%
Gatineau Power Company 5% Cumulative Redeemable Preferred Stock	84.00	5.95%
General Steel Wares Limited 4½% First Mortgage Bonds Due April 15, 1952	96.00	4.90%
International Hydro-Electric System 6% Convertible Debentures Due April 1, 1944	73.00	12.54%
Windsor Gas Company Limited 5% First Mortgage Bonds Due November 1, 1966	101.00	4.93%

Complete information will be furnished upon request if you will kindly write, or telephone Waverley 8681.

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

THE ONTARIO LOAN AND DEBENTURE CO.
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

Penmans
Manufacturers of High-Grade
QUALITY HOSIERY
KNITTED UNDERWEAR
AND OUTERWEAR
PEN ANGLE WARRANTED HIGH GRADE KNIT GOODS
HEAD OFFICE—PARIS ONT.

Common Sense Speculation—Trader Warns of Investment Dangers

(Continued from page 1)

an incomplete period of expansion. In early 1930 and again in early 1938 the statement was repeatedly made that the market decline had been so rapid as to represent a satisfactory corrective and not for some weeks did disillusionment occur.

Watch Market as a Whole

Exhaustion of the technical rally is usually to be detected in a gradual tapering off in the volume of transactions as prices mount higher. Another clue to the ebbing of vitality of the technical rally is a lack of breadth, manifest by the failure of representative groups to participate. Frequently only one or two stocks may be making important progress on the upside while the market as a whole is merely churning around. The slightest faltering of a recovery—after a preliminary crash—should be regarded with extreme apprehension and as a selling spot for those who may not have got out before the first downswing.

Even the best of speculators can go wrong while a technical rally is flourishing. Take an example: In the late spring of 1930 a colossal speculation for the rise was being conducted by the 1929 bull leader in General Electric. The stock, which had been split up, was selling in the low 90's. Now the operator in question was not only the biggest speculator that ever came into the New York stock market, but he had a following of the most formidable proportions from the wealthiest capitalist to the humblest waiters. It was difficult for the most hard-boiled bear to resist the arguments of the famous bull leader.

On that particular day in 1930, so magical was his name and so tremendous his legion of followers that he had been actually able to dispose, after the close of the Stock Exchange, of several 25,000-share lots of General Electric to three of the biggest capitalists in the country. One would have thought that the Exchange would not be open the following morning. Remember that this all took place in the days before the SEC. At an uptown hotel the same evening, the bull leader stressed his success in selling stock "off the board and after the close" and his confidence in the ability to push the stock to 125.

A Case in Point

As he talked with increasing conviction and vehemence he succeeded in securing several big buying orders for the opening the next day. Swayed by the talk, a confirmed bear—who had remained unmoved by all the eloquence—suddenly ejaculated, "OK, put me down for 40,000 shares in the morning." At that point a friend kicked the speaker beneath the table and, leaning over, whispered, "Watch your step, I've never heard such wild bullish talk in my life." In a split second the wary bear operator leaned over and whispered back, "Never mind, you sell through your son, who is on the floor, 80,000 shares in the morning." In other words, the big bear had quickly converted his 40,000-share bull position into a 40,000-share short position. The story is told not for the purpose of reciting the fantastic market exploits of the foolish 1920's but to illustrate the quickness and flexibility of judgment requisite for successful speculation, and, incidentally, to illustrate the deceptiveness of technical rallies.

The pitting of bear against bull, as thus outlined in the anecdote concerning General Electric in 1930, is the epitome of fact against wishful thinking. The bear operator, temporarily swept off his feet, came back to solid mooring on his earlier conviction that a major depression—in which even General Electric could not escape—was under way. The bull, impressed by the current brilliant earning power, refused to look ahead to what might be taking place a few months hence.

Dangers of Dull Market

One of the oldest of axioms is "Never sell a dull market." The adage was meant to apply, however, to bull markets, since it signified a lack of liquidating pressure and the implied presence of stocks in strong hands. A rally in a bear market, when accompanied by dullness, signifies a general unwillingness on the part of investors to follow up advancing quotations, or, in other words, a lack of dynamic force in the recovery. Following the spring break of 1937, the quiet markets of the ensuing summer—in which there was not a single 2,000,000-share session from May through August took place while prices moved back almost to the previous peak—was a case in order, and so was the dullness following the January, 1938, rise.

In brief, volume is the best evidence of dynamic power. If activity picks up on the decline, the presumption is that liquidating forces are being set in motion as prices fall. If an impasse prevails, declining quotations would not bring in an increase in offerings.

It is never profitable to "quarrel with the tape," and one must believe that the "market can do anything." Who could possibly have believed, prior to Mr. Roosevelt, that mere "bigness" in a corporation might prove a liability? "Growth" and "size" were the big bull arguments of 1928 and 1929.

The writer is here reminded of some sage comment proffered him, long before the devastating depression of 1929-32 was far advanced, by the head of a flourishing independent motor company. Talking with him in his Detroit office one afternoon, the subject turned to the fierce competition that smaller units had to encounter at the hands of the biggest companies in their field. Smiling grimly the motor executive said, "We're doing our best, though probably the 'Big Three' are bound to get us eventually. But let me tell you, the public some day will attack business on size alone and I think I can even see the handwriting on the wall for chain-store companies." How prophetic that comment was may be found from the subsequent record of punitive chain-store taxation throughout the United States and Canada, and the bills offered in law-making bodies that would—if enacted—virtually confiscate chain-store businesses.

Certain Bear Phenomena

In a bear market where the pace may be leisurely and where volume signs may be lacking, there are certain technical indications which, reversing the messages in a bull market, are ominous. Failure of individual stocks promptly to regain dividends, after having sold "ex-dividend payment," is an unhealthy manifestation. Another significant sign is a decline in price following the announcement of fresh financing. Inability both to recover a dividend and to resist the diluting effects on an equity of new financing reflects a situation where demand is weak.

It cannot be too constantly emphasized that the clarion call of a bear market is the first real break. It constituted the clear-cut warning in October, 1929. The mild decline of March-June, 1937, was ominous though much less emphatic. Coming in both instances after years of rising prices, the message should have been clear to the open-minded investor. It is easy at the time to maintain that the slaughter of prices was an accident but as well-known a bear operator as Jesse Livermore used to say, "such accidents are usually along the line of least resistance." To add emphasis to the point, Livermore would say "Never try to sell at the top."

On the other hand, nothing is more unprofitable than premature buying. Late in 1930 United States Steel common, having virtually halved its 1929 high, was selling around 135. A friend, meeting the then-famous leader of the powerful bear clique, remembered that a western banker had said: "I'm putting my last dollar into Steel common when it hits 100." Of this the ruthless bear operator remarked, "He'll get his stock, all right, and he'll get a headache with it." Less than two years later Steel common was selling in the low twenties, 75% below the assumed "buying level" of 100.

Bearish Factors Double Edged

Another story may illustrate that a swift decline is not the end of a market readjustment but possibly an early phase of a long-drawn-out reversal of values. Back in the 1929-32 bear market, one of the handful of big-calibered operators sold 10,000 shares of Allied Chemical short around 250, which was over 100 points under the 1929 peak. In due course, he covered at 100 points profit, netting $1,000,000. But so easily accomplished was the process of covering that he immediately again went short though at a lower level, of 10,000 shares and subsequently covered at another 100-point profit.

Lest such glamorous stories divert the attention of the average trader from the character of bear markets, it may be pertinent to point out a curious anomaly related to the thesis that leading stocks in bear markets are usually the leaders of the previous bull market. The anomaly is that prior bullish factors frequently are double-edged. What was bullish during the rise may carry a bearish meaning in the decline.

The "leverage" factor, so potent in the rise of utilities in the 1920's, was a serious burden in the following depression. The heavy volume of senior securities, which made equities so "thin" that earnings leaped forward as sales expanded, was a tremendous incubus on profits as sales contracted. More lately, the undistributed-profits tax, which forced out huge dividends in 1936 and 1937, necessitated conservation of working capital and, consequently, rapid contraction of payments in the early months of 1938.

Beware of High Yields

Since it is insisted constantly to follow the main trend and since the advice has been given to discard figures in a bear market, beware of abnormally large yields or startingly low capitalization of earning power. A high yield rarely lasts long and is often suddenly explained by the actual cessation of payments. A low capitalization of earning power, which is to say, a small ratio of price to per-share balances, usually reflects water that has gone over the dam. The splendid earnings of 1937 were no index to the results of the early months of 1938—all of which is explained by the fact that speculation never looks backward but always forward.

Unseasoned bears are sometimes rendered apprehensive by what veterans regard as minor irritants. The payment of a "premium" for borrowing a stock in which the short interest may be temporarily congested and payment of dividends when stocks sell "Ex-" dividends are discouraging to the rank and file. In reality they are no more than the interest or the "carrying charge" incurred in a bull market.

"Where the risk is greatest the profit is greatest," says one of the most astute and unemotional bear traders of all time. Merely because a stock had universal esteem never deterred him from selling it if a study of the fundamentals proved it vulnerable.

There are three stages to a bear market. The first is the initial stunning decline in quotations. The second is the steady sag induced by the exposure of poor business and poor earnings. The final leg is the gruelling process wherein stocks are sold to meet pressing cash needs and where the stark nakedness of the depression is exposed in the form of bankruptcies, receiverships, suspended dividends, and the like.

How Bear Markets End

The culmination of a bear market, as might be supposed, is exactly the opposite of the dénouement of a bull market. A long period of agonizing dullness, in which stocks move in a narrow range, is the surest indication of the exhaustion of liquidating forces and the conclusive evidence is usually the refusal—after a period of languishing markets—of stocks to go down in the face of bad news.

Stock traders, or investors, if you will, should never live in a fool's paradise. Paper profits are never tangible until realized. The tragedy is that it takes a bear market to drive the fact home. To the myriads to whom parting with a favorite stock is akin to divorce it is well to point out the hackneyed statement that "the market is always here tomorrow." The elder John D. Rockefeller is reported to have told a persistent seeker for a tip on Standard Oil of New Jersey, "I think it will fluctuate."

Copyright 1938 by Barron's Publishing Co.

SAFETY DIVERSIFICATION MARKETABILITY YIELD

BUYING BONDS LIKE BUYING ANYTHING ELSE

After all, buying bonds is like buying anything else — your best protection lies in the experience, the ability and the integrity of the house from which you buy them. Why not seek the counsel and help of an investment house of proven reputation, responsibility and knowledge?

You are invited to discuss your investment account with us.

LAURENCE SMITH & CO. LTD.
INVESTMENT SECURITIES
VANCOUVER Royal Bank Bldg.
TORONTO Canada Permanent Bldg.
VICTORIA Arcade Bldg.
HAMILTON Landed Banking and Loan Bldg.
PORT ARTHUR and FORT WILLIAM

4½ Million Dollars Payroll*
CRAWLEY & McCRACKEN COMPANY LIMITED

* (TEN YEARS)

SALARIES and wages alone during the past ten have years cost Canada's Biggest Cook that amount. While earning this sum, the men and women on our staff spent many times that amount on behalf of clients, benefiting all communities in which they have been located.

The big contract, the small contract, *every* type of contract involving the feeding of men away from home presents no problems to a firm with so complete and varied experience.

Whatever your feeding problem, it will pay you to have a talk with one of our executives who will show you where we can help.

CRAWLEY & McCRACKEN COMPANY LIMITED
MONTREAL
TORONTO PORT ARTHUR VAL D'OR
SUDBURY KENORA NORANDA
COCHRANE BAIE COMEAU LARDER LAKE
CHAPLEAU NORTH BAY TIMMINS
CAPREOL LONDON TEMISKAMING

Construction

Housing Loan Totals Reflect New Activity

June Figure Double That of Same Month Last Year

Marked expansion of operations under the Dominion Housing Act (now replaced by the broader National Housing Act) is shown by announcement of the Department of Finance of results up to June 30. Total of loans for new dwellings built and financed under the Act more than doubled last month in comparison with June, 1937.

This maintains the increased pace reported for March, the month covered by the last bulletin. Loan total for March also was double that of the corresponding month last year. Since then the cumulative total of loans, since inception of the Act in 1935, has increased from $15 millions to $19,447,117, or at a rate averaging $1.5 million a month. Cumulative total as of June 30, 1937, was $8.8 millions.

In June, loans made amounted to $2,096,713 for 590 dwelling units. Corresponding figures for same month a year ago were $913,127 and 227. The average loan per family unit in June was $3,554, but the cumulative average in this regard still hovers above the $4,000 mark.

The larger volume of loans during the past three months is traceable chiefly to Ontario, where a number of local campaigns have been staged to promote house building under the Act; and British Columbia, where a province wide promotion and publicity campaign, in behalf of both the D.H.A. and Home Improvement Plan, has been under way for several months. Of the $4.4 millions increase in the cumulative total during the three months, Ontario contributed $2.6 millions and B. C. about $1 million. Of an accompanying increase of 683 in number of loans, Ontario accounted for nearly 300 and B.C. contributed 262 new loans.

Detailed figures follow:

D. H. A. Loans by Provinces
(As of June 30, 1938)

	Amt. ($ 000's)	No. of loans	No. of dwelling units
Ontario	9,181	1,308	2,326
Quebec	5,239	608	1,132
Brit. Columbia ..	2,506	640	815
Nova Scotia	1,572	358	360
Manitoba	504	75	105
New Brunswick .	378	84	89
P. E. I.*	54	10	10
Sask.*	8	2	2
Alta.	.....	....	....
Total	19,447	3,085	4,839

*No new loans since March.

B. C. Lumber Firm 4 Months Sales Up

Canadian Western Lumber Co. Reports Favorable Prospects

Total lumber sales of Canadian Western Lumber Co. in the first four months of 1938 were 2.7 million board feet higher than for the corresponding period of 1937. This was in spite of lower sales in April this year. Outlook for the balance of the year is reported reasonably favorable in view of sustained demand for British Columbia lumber in Great Britain and other parts of the Empire. Prospects for greater domestic demand from an accelerated housing programme and likelihood of better crops on the Prairies also gives encouragement.

Last year the company sold 186.9 million board feet against 174.5 million in 1936 and 106.8 million in 1935. Sales for the first four months this year have been 63.5 million board feet. Earnings in both 1936 and 1937 permitted payment of a full year's interest on the income debenture stock, first payments since 1931. Clearing of sinking fund arrears on the first mortgage debentures cleared the way for payments on the income debentures on which interest arrears total $3.2 millions.

New Building

Steel Co. of Canada, Hamilton, Ont., is reported considering extension of its sheet mill.

Supreme Food & Milk Products Inc. has awarded contract for erection at Pierreville, Que., of powdered milk factory to cost $1 million, including equipment.

Reported by Engineering & Contract Record:

British-American Tobacco Co. plans construction of plant at Cap de la Madeleine, Que., for manufacture of aluminum foil to be exported to parent company in England. Costs are estimated at $400,000 for building and $800,000 for machinery and equipment.

Department of National Defense has awarded $240,000 contract for paving of runways at Dartmouth R.C.A.F. station.

Erskine and American Presbyterian Church, Montreal, is having plans drafted for proposed $160,000 programme of alterations.

Victoria Hospital, London, Ont., may be replaced by new building to cost $1.2 million on site near University of Western Ontario, if plan now being considered is carried out.

Canadian Cottons Ltd. plan to complete by fall new bleaching unit structure at Marysville, N.B.

Quebec Streams Commission has awarded to **Foundation Co. of Canada** contract for $250,000 repairs to "Gouin" dam in St. Maurice River.

New Feed Plant In Montreal Area

From Our Own Correspondent

MONTREAL. — Ralston Purina Mills Co. is a new industry for the Montreal area which is expected to get into production immediately. The company has erected a new plant on the canal lands at Ville la Salle.

Ralston Purina Mills manufactures feed rations for domestic birds and animals. The new plant here, which has an initial capacity of 5,000 tons of feed a month, will take care of the Quebec and Maritime markets.

Construction World

Shackling Recovery

Effect of inordinate local taxation in curbing construction activity, particularly in the residential field, is becoming increasingly acute. The construction industry itself is getting more and more restive under the handicap that this discouraging burden puts upon it, especially since the sales tax was lifted from a number of construction materials. Construction men and others are beginning to wonder why, if the serious hobble of sales tax can be loosened, some adjustment cannot be made to encourage building by reduction of realty taxes.

Realty taxation was described as "construction's ball and chain" in a protesting editorial in a recent issue of Engineering and Contract Record. The heavy tax load has made property ownership a distinct liability, says the magazine, and operates to discourage new building. The editorial adds:

"It is not the cost of construction or the cost of financing that cause any concern. It is the fear that high taxes—taxes that are not only high now, but that may go higher—will place on the owner a burden he cannot afford to bear if he occupies the premises himself, or that will not allow a fair return on the investment if the property is intended to be revenue producing.

"Real estate taxation, of course, is a reflection of municipal expenditures, and the secret of tax reduction is therefore curtailment of spending by municipal authorities. Nothing else will serve to stimulate construction so effectively as an earnest attempt on the part of civic bodies to pare their budgets.

* * *

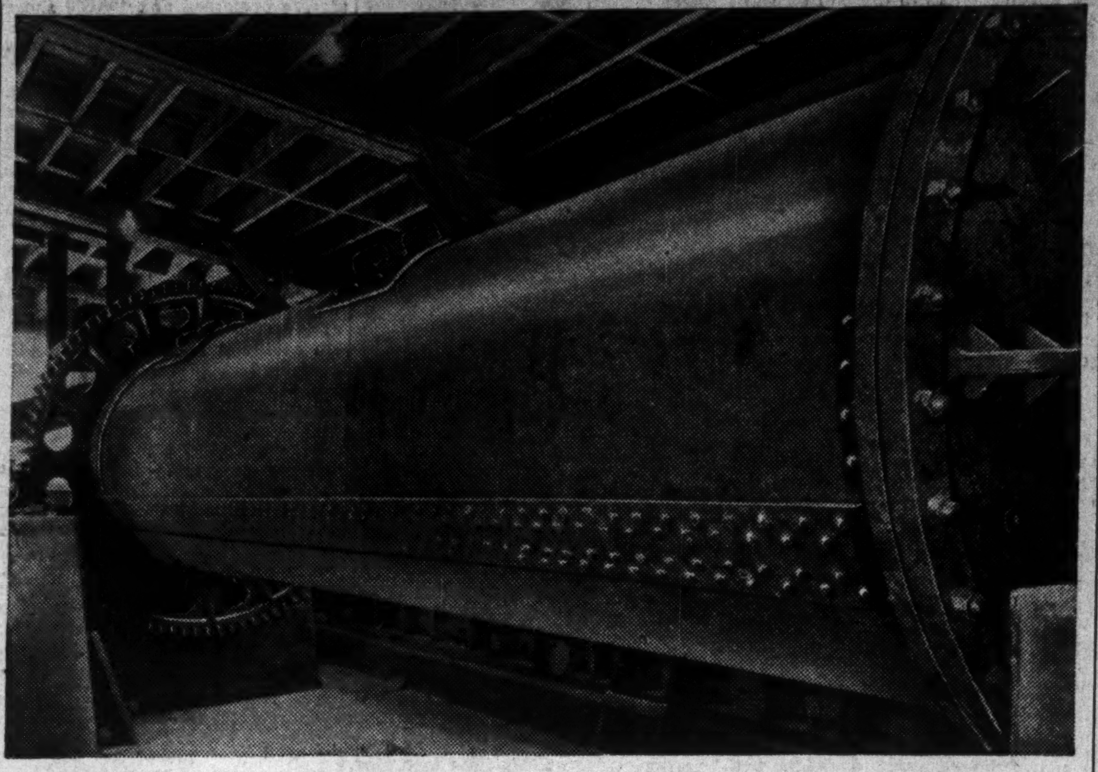
H. I. P. Loans Slump

The slump in volume of Home Improvement Plan loans recorded in the spring has carried over into the summer. The cumulative decrease for the first half of the year is almost 40%. This is largely because of continued failure of either the Government or the construction industry to renew on a national scale publicity-promotion support for H. I. P. Attempts made to stimulate home improvement work have been confined to local areas in Ontario, the planned campaign of the Canadian Institute of Plumbing & Heating, and the British Columbia campaign to promote both National Housing Act and H. I. P activity.

Bulletins on H. I. P. loans issued by the finance department at Ottawa do not give comparative figures relating volume to activity last year. Comparison is further hindered by the issuance of current bulletins covering three-week periods overlapping from one month into another, whereas figures issued at this time a year ago covered periods of two weeks or a month. Careful analysis reveals, however, that H. I. P. loans during the first six months of this year show a decline of 37% from the volume reported during the same period of 1937. Prospect that the drop for the whole year may be greater arises from the slump of nearly 60% shown by the loan figures for May and June.

According to The Financial Post calculation, loans made in the first half of this year totalled $3,539,964, reflecting a decrease of $2.1 millions in comparison with the total of $5,644,843 for the same period in 1937. Loans in May and June amounted to $1,307,489, compared with $3,198,133 in the same two months last year. Latest bulletin sets cumulative total of loans since inception of the plan, in November, 1936, at $16,790,084. Of this, loans in Ontario accounted for $7.5 millions, in Quebec, $3.3 millions; and British Columbia, $1.5 million.

Runner-up is Alberta with a total of $1.3 million. Though no loans have been made under the National Housing Act in this province, H. I. P. has operated comparatively well. Nova Scotia is next in line with $1 million.



NEW CEMENT PLANT ESTABLISHED

An important line of building products hitherto imported into Canada are now being produced in this country, through establishment at Paris, Ont., of the plant of Medusa Products Co. of Canada. Above is the steel tube mill utilized in production of pulverized cement from the raw material.

Open Plant for Manufacture Of White Portland Cement

Building products previously available only by importation are now being manufactured in Canada, through establishment of a plant at Paris, Ont., by Medusa Products Co. of Canada. In several respects the enterprise will operate in new fields in the manufacture and distribution of building products in Canada, and has established the first unit of what are planned as compact, efficient facilities utilizing most modern methods of production.

The recently opened plant will function as the Canadian producing unit of Medusa Portland Cement Co. of Cleveland, Ohio, to serve a widening Canadian market for building materials manufactured by this firm. White cement will be the featured item among the seven to be produced at the factory.

Government Contracts

White Portland cement products have been imported from either the United States or England, and partly because of this were used to a limited extent in the Dominion. The new plant at Paris has already supplied the Ontario Department of Highways with a shipment of white cement for use in construction work at the approaches of the new international bridge between Sarnia and Port Huron, Mich. The plant will also supply white cement for terrazzo flooring in the new Ontario Hospital at Woodstock.

Other uses for white cement include making of stucco, cast stone, and liners for swimming pools.

Being manufactured at Paris under the Medusa brand name are both plain and waterproofed forms of white cement; mortar cement, cement paint, and waterproofing powder. Compounding and distribution of floor coating and wall finishing materials will also be done at the new plant, which has a capacity of 300 barrels of cement daily.

The mortar cement is stainproof and waterproof. The cement paint is used for painting stucco, brick, concrete or masonry walls, exterior or interior, damp or dry. Another line is a casein paint in pastel colors, which dries rapidly and without objectionable odor in painting interior walls and ceilings. A special floor coating is designed to give interior concrete floors a surface resistant to abrasion, moisture and alkali.

The enterprise is under direction of J. F. Cameron, managing director of the Canadian firm and active for many years in the building supply field. He and his associates have already drafted plans for early construction of additional factory buildings, including office accommodation and extra warehouse facilities.

Pulverizing With Stones

Particularly interesting unit of the plant is the huge steel revolving drum which is the basic mechanism of the cement milling process. For the production of white cement, the rough "clinkers" of crude cement are ground in the drum with aid of special steel-hard boulders.

Other installations at the factory include a pulverizing unit for production of the special powder which in combination with ordinary cement resists water and moisture penetration. Conveyers carry completed products to storage bins, from which they are fed into hoppers and packed by machine.

Steel Co. of Canada Will Retire $443,136 of Bonds

From Our Own Correspondent

MONTREAL.—Steel Company of Canada has placed with the Royal Trust Co., trustee, $443,136 to be applied on the purchase of the company's $6 first mortgage and collateral trust bonds, due July 1, 1940, for retirement.

At the end of last year, Steel of Canada had outstanding $3,283,604 of the first mortgage bonds. The current sinking fund installed will reduce that amount by somewhat less than $443,136, as the bonds are selling not only at a premium, but the call price is 110.

Quebec Studies Tax Exemptions

Reduction in Exemptions May Mean More Funds for Schools

From Our Own Correspondent

MONTREAL. — The Quebec Government has passed an order-in-council authorizing the appointment of a commission to study the question of municipal tax exemptions and tax commutations. No official announcement has been made, but it is expected the commission will be headed by Mayor Anatole Carrigan of Lachine, who is a member of the provincial legislature.

It has long been felt there are many abuses in connection with tax exemptions and commutations, and Premier Maurice Duplessis has personally given some attention to the problem. However, the immediate reason for the decision to appoint a commission is understood to be the need of more revenue for both Catholic and Protestant School Commissions.

Will Study Particular Cases

The Commission will give special attention to particular cases. It is not intended to do away with exemptions and commutations entirely, especially as some municipalities are not in need of additional funds. However, it is possible that corporations enjoying exemptions in municipalities which do not need additional funds may be asked to contribute to a provincial education fund.

The Quebec Government also plans to appoint a commission to find means and ways of eliminating the last vestiges of the seignorial system.

Tramways Appeal

From Our Own Correspondent

MONTREAL. — Montreal Tramways Co. has applied to the Board of Revision for the necessary form of appeal against the decision raising the assessable value of its poles, wires and other property by some $7 millions.

Alexander Building Will Pay 3% on Bonds

From Our Own Correspondent

MONTREAL.— Directors of Alexander Building Corp. have decided to pay 3% on the first mortgage bonds during the present year, returning the rate to the amount distributed in the years prior to the last fiscal year when 3½% was paid.

At the annual meeting of shareholders, J. S. Aird, president, said the building is completely rented at present and the directors do not foresee any substantial capital expenditures within the next two or three years.

50 Years' Service to Canadian Business
1888 . . . 1938
Filing Systems and Office Equipment
THE OFFICE SPECIALTY MFG. CO. LIMITED
Home Office and Factories—NEWMARKET, Ont.
Branches in principal Canadian cities.

NOW
MADE IN CANADA

MEDUSA

WHITE PORTLAND CEMENT
PLAIN AND WATERPROOFED
"STONESET" MORTAR CEMENT
PORTLAND CEMENT PAINT
WATERPROOFING POWDER
Also Available: MEDUSA FLOOR COATING
•MEDUSA-LITE for Interior Walls

MAIL COUPON TODAY
MEDUSA PRODUCTS COMPANY OF CANADA LTD., Paris, Ontario.
Please send me descriptive literature on Medusa products checked.

Name ....

Address ....

.... F-2

☐ Medusa White Portland Cement
☐ Medusa Portland Cement Paint.
☐ Medusa STONESET Mortar Cement.
☐ Medusa Waterproofing Powder.
☐ Medusa Floor Coating.
☐ Medusa-Lite.

MEDUSA comes to Canada! Turning at peak capacity, the roaring tube mill at Paris, Ontario, is now producing the first White Portland Cement made in the Dominion.

As the finishing coat in stucco work, Medusa White Portland Cement gives an almost unlimited variety of color and texture combinations with which to create individuality, charm and character. Because of its non-staining quality and pure white color, it is being used extensively as a mortar for setting face brick, stone, tile and marble; for cast stone used as building trim and as veneer for homes; for terrazzo, garden furniture, sculpture, liners for swimming pools, etc. Road markers and curbs made of Medusa White Portland Cement provide greatest visibility, eliminate costly repainting and last the life of the road.

Other allied Medusa products of Canadian manufacture include: Medusa Waterproofing Powder; Medusa Portland Cement Paint which provides a beautiful, permanent, protective coating for concrete, stucco and masonry surfaces; and Medusa STONESET, the non-staining, non-shrinking mortar cement that assures an absolutely watertight wall.

MEDUSA PRODUCTS COMPANY OF CANADA LTD.
PARIS, ONTARIO

GET FULL PARTICULARS BY MAILING COUPON TODAY CHECKING THOSE PRODUCTS IN WHICH YOU ARE INTERESTED

Conveying & Elevating Equipment

Modern Power Transmission Equipment

Coal & Ore Handling Bridges

Welded Processing Equipment

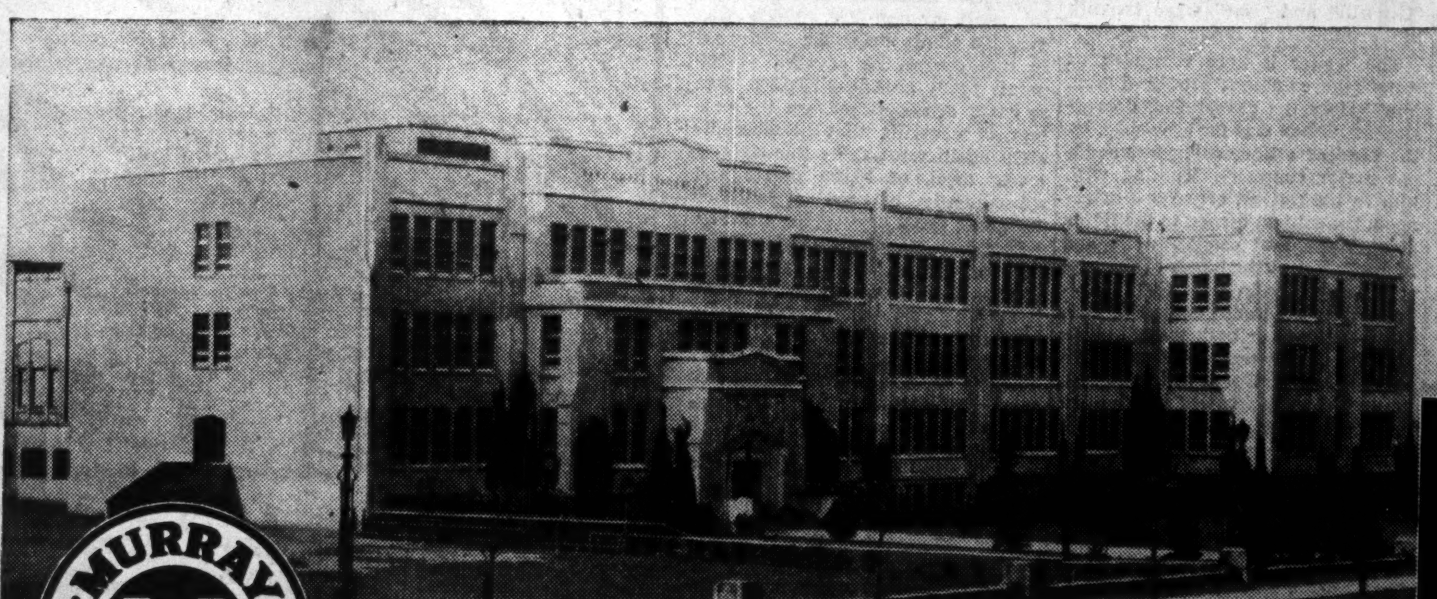
Steam Generating Equipment

•

Inquiries Invited.

UNITED STEEL CORPORATION
LIMITED
TORONTO . . WELLAND DODGE MEAD MONTREAL . . WINNIPEG

ONCE IN '29—AND AGAIN IN '30 AND '36



VANCOUVER SCHOOL BOARD

Used MURRAY Built-up PITCH and GRAVEL ROOFS!

Alexander Murray & Company Limited

Roofs that live up to their bonds in the manner that MURRAY Built-up Pitch and Gravel Roofs do, get the call by Vancouver School Board when new buildings, extensions and additions are being considered. The use of **quality materials** of proven protective value—**superior skill** in applying these materials in a scientific manner **PLUS MURRAY INSPECTION** of each step of construction — these constitute definite assurance of real protection and durability.

Among other satisfied users of Murray Built-up Pitch and Gravel Roofs are:

Campbell Soup Co. Ltd., Toronto
Canada Life Assce. Co., Toronto
The T. Eaton Company, Toronto
Canadian Pacific Railway
Federal Government
Bank of Montreal
Bank of Nova Scotia
H. J. Heinz Co.
Canadian Bank of Commerce
Bell Telephone Co. of Canada
Sun Life Assce Co. of Canada
Harbour Commissioners of Halifax
Harbour Commissioners of Saint John

Free inspection of, and our written report on, the present condition of your roof is yours for the asking. Write our nearest office.

Alexander MURRAY & Company LIMITED

Montreal Toronto Halifax Saint John Winnipeg Vancouver

Affiliated with Dominion Tar & Chemical Co. Limited — Canada Creosoting Company Limited — Fibre Conduits, Canada, Limited

THE FINANCIAL POST

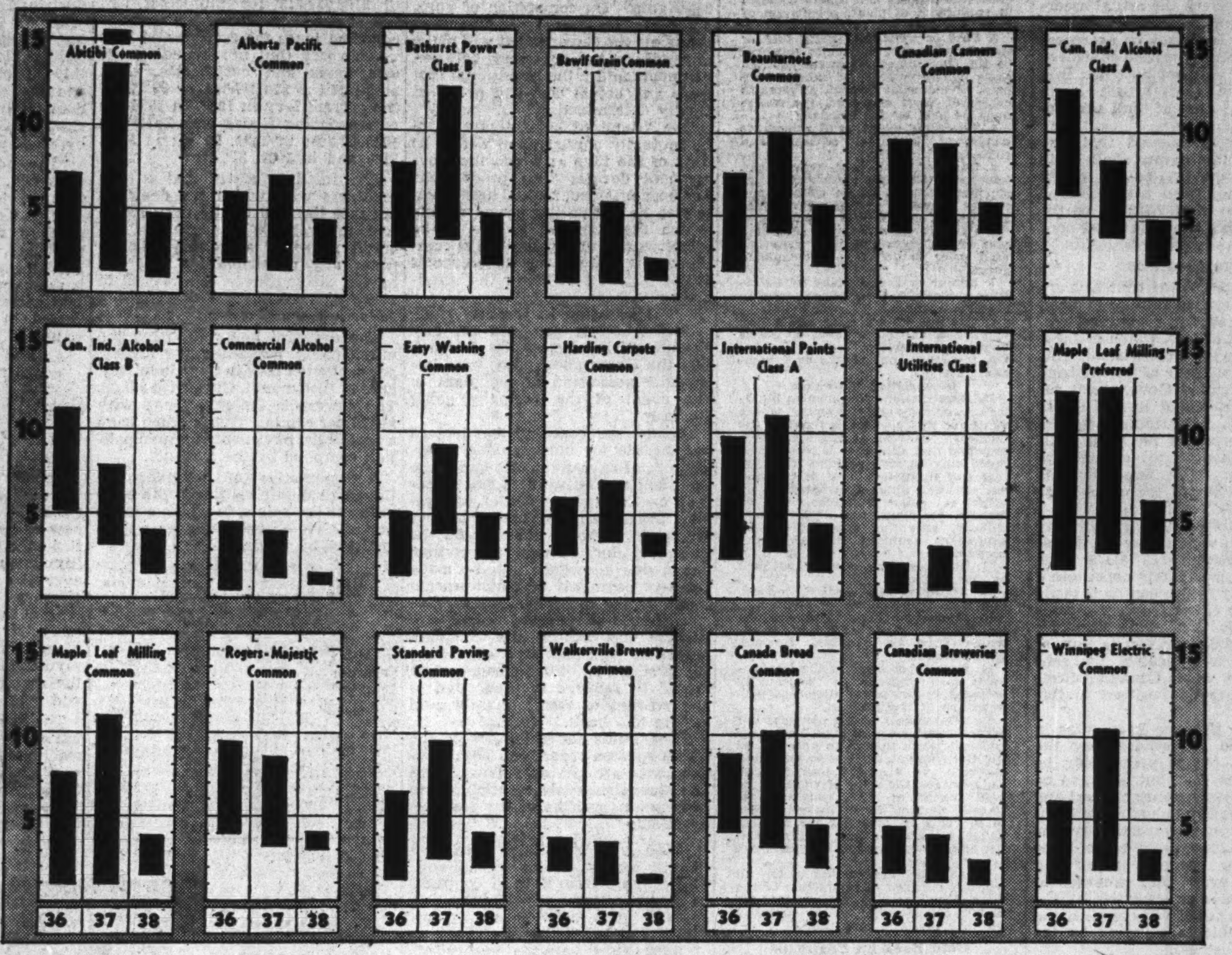
Largest Circulation of All Canadian Financial Papers

Vol. XXXII Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, JULY 16, 1938 10c a Copy; $5.00 a Year No. 29

Twenty-Four Stocks Selling Under $5

Will Low-price Group Provide Leaders? —Attention Swings to Basement Buying

By A. D. ELLWOOD
Staff Writer, The Financial Post



That all of these stocks have demonstrated their ability to move in company with major stock market trends is well shown by these charts. And that most of them are still well below levels reached as recently as last year can be seen at a glance. Missing from the above charts are three of the stocks studied in this article. Two of them, Canada Steamship Lines common and Coast Breweries common, are omitted because of changes in capitalization that do not permit comparison over a sufficient period.

As the market moves keep an eye on the low priced stocks.

In the early stages of a recovery low priced stocks often climb much faster than those selling at higher prices.

There are many instances of stocks still quoted below $5 which have doubled in value since March.

You would look a long time for similar appreciation in the high priced range.

And in the early stages of a recovery even stocks of companies with substantial earning power can be bought at comparatively low levels.

The stock market rise of the past month may not continue. As a matter of fact it would be too much to expect it to continue without interruptions, and perhaps serious ones. There can be no guarantee that stocks bought now cannot be bought at more advantageous levels later.

Wide Selection

But in the belief that investors are more interested in the market now than they have been for some time The Financial Post has taken a group of stocks, all selling at $5 or less, and here presents the list with a brief review of each.

The investor looking for low priced issues is not restricted in his selection. On the Montreal and Toronto exchange over 100 stocks are currently quoted at $5 or less. But many of them are extremely inactive and even among the 24 stocks selected in this survey there are some not very actively traded.

Do not get the idea the low priced stocks discussed in this article are guaranteed to make the purchaser a profit.

The list is presented, with some study of the position and prospects of each security, in the belief that a favorable stock market will find many investors placing greater emphasis on capital gains.

It may be that in the following list a number of stocks will be found which are likely to give better than average performance, particularly if measured by percentage of gain.

Admittedly a list selected with an arbitrary price limit of less than $5 for industrial shares includes stocks that do not rank as first class investment. The low price in itself is a sign of that. High grade stocks are seldom quoted under $5 a share.

Dividend Payments

Take the measure of dividend payments. In the list here studied there are four companies making some return to shareholders. Yields from such stocks are high. For example Walkerville Brewery has paid two 5 cent dividends this year. Assuming an annual rate of 20 cents, the yield at current price levels of around $1.60 would be 13%, which is high on any stock.

Coast Breweries is also paying dividends and it has paid dividends at varying rates since 1929. Prior to the 10-for-one stock split this year the regular rate was $1.20 and the stock was quoted around $12 to $13. Assuming a proportionate rate on the new stock now quoted around $1.21, the yield would approximate 10%.

Commercial Alcohol has paid regular 40 cent dividends on its new preferred since last year's reorganization. With stock quoted at $4 the yield here is also 10% and last year's earnings covered the dividend more than twice.

Last dividend payer on the list is Harding Carpets. This company has no established rate but so far in 1938 has paid two dividends of 10 cents each. The last four payments have been for the same amount and, if we assume an annual rate of 40 cents, the yield is over 13% at current quotations of $3 a share.

Leverage in the Picture

Most of these low-priced stocks here considered are junior to substantial amounts of bonds or preferred. This brings to the fore what is technically known as "leverage."

"Leverage" is probably best explained by an example. And one of the stocks in this list gives a first class illustration of how leverage would work. Take the case of Abitibi Power & Paper Co. True, this company is in bankruptcy, receivership, default of bond interest, in arrears of preferred dividends and about everything else that is undesirable in a company. But ahead of the 1,088,117 common shares are $48.3 millions of 5% bonds and $35.9 millions of six and seven per cent preferred. Abitibi paid full bond interest and preferred dividends last in 1930. In that year, charges ranking ahead of the common totalled over $5.1 millions. Profit after depreciation was $5.7 millions, leaving something over $500,000 to apply on the common. But suppose that instead of $5.7 millions the company's profits had risen by another $1 million. All of this would have been available for the common as bonds and preferred would not have required any more.

Put in another way, "leverage" means that after the heavy prior and fixed charges are earned, a comparatively small further increase in profits means an accelerated percentage gain in earnings per common share. Of course this works in reverse when profits drop and the common shareholder's share is entirely wiped with a comparatively small earnings drop.

Any company with bonds and preferred stocks, or only one of these, ahead of the common, gives the "leverage" factor an opportunity to operate and with few exceptions these low-priced stocks have such senior securities. The following classification, perhaps somewhat arbitrary but nevertheless serving as a guide in this matter, separates the "leverage" and the "non-leverage" stocks.

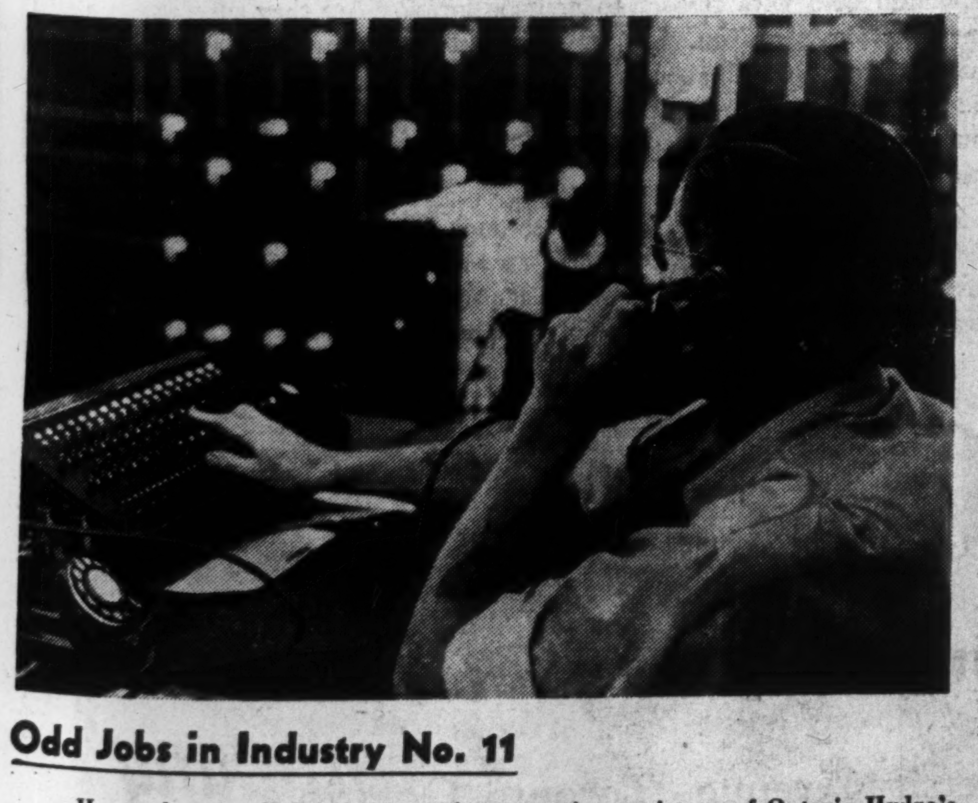
Leverage Group	Non-Leverage Group
Abitibi.	Bathurst.
Alberta Pacific.	Coast Breweries.
Bawlf Grain.	Commercial Alcohol.
Beauharnois.	Easy Washing.
Canada Bread.	Harding Carpets.
Canadian Breweries	International Paints.
Canadian Canners	Rogers-Majestic.
Canadian Indus. Alcohol.	Standard Paving.
Canada Steamship Lines.	Walkerville Brewery.
International Utilities.	
Maple Leaf Milling.	
Winnipeg Electric.	

Newsprint Leaders

In the stock market rise from June 18 to last week, no group among Canadian stocks made as good a showing as did the pulp and paper group. Without going too deeply into a discussion of prospects it can perhaps be said that the comparatively good showing of these stocks was a natural reaction from the extremely depressed conditions prevailing in the industry for the past few months—conditions that received much publicity. Of course it may also be true that the comparatively rapid rise in these stocks has taken much of the cream off them for the immediate future. But any improvement in business in the United States, such as seems now under way, means more advertising linage, and more of the thousand and one things for which paper is used.

Bathurst Power and Paper

Abitibi has already been reviewed in this article in connection with the discussion of "leverage." Bathurst Power & Paper Co. is in a somewhat different position. It has no funded debt and ahead of the 300,000 class B shares are only 400,000 class A shares. Dividends on the latter stock were started last year when 25 cents a share was paid out of earnings of $1.14 a share. Although the company has been able to report net profits available for the class A for the past three years, this has not been sufficient to cover the non-cumulative $2 a share dividend on the class A. As a consequence in 1937 the deficit was equivalent to $1.15 a share on the class B. Operating in New Brunswick, the company has a well-diversified line of paper products, largest single proportion of which is kraft liner board.



Odd Jobs in Industry No. 11

He watches tiny lights to get a minute-to-minute picture of Ontario Hydro's system. He is the key man in the Toronto area at his desk in the Leaside station before an electrical set-up diagram which gives him a constant visual picture of electrical connections on the system. Changing lights record switches open and closed.

Few people will dispute the claim that elevator and milling companies in Canada are going to report less satisfactory earnings for the year ending June and July of this year. The Canadian wheat crop of 1937 is the largest single factor contributing to this unfortunate condition. Elevator companies have not had sufficient volume of grain to handle or store while milling concerns have been handicapped by the comparatively high price levels for Canadian wheat and an actual shortage of supply for milling purposes.

Conditions for the 1938-39 crop year, however, are much more promising. All that is needed is a normal crop which can be sold at fair prices and elevator and milling concerns will experience more prosperity.

Alberta Pacific Grain

Common stock of Alberta-Pacific Grain Co. is admittedly speculative. Ahead of it is $2.7 millions of 6% first mortgage bonds on which sinking fund adjustments have been arranged this year, and $3 millions of 7% preferred. On the preferred, dividend arrears totalled $56 a share as at June 30, 1938, no payments having been made since 1930, when the company suffered severe losses due to unauthorized transactions by former officials.

Bond interest, up to the year ended June 30, 1937, had been covered after depreciation but that year's earnings dropped a little below the minimum level to cover interest and depreciation. The company operates 363 country elevators in Alberta and Saskatchewan and has interests in terminal elevators at Vancouver, Calgary and Fort William.

N. Bawlf Grain

N. Bawlf Grain Co. has 116 country elevators in Manitoba, Saskatchewan and Alberta and other interests giving combined country elevator storage capacity of about 5.4 million bushels. It has also terminal elevators at Port Arthur and Vancouver.

Capitalization consists of $2 millions of 6½% preferred and 60,000 common shares. No bonds are outstanding with the exception of pledges to company's bankers and $265,000 of subsidiary funded debt. No dividends have been paid on the preferred since 1930 and arrears totalled $48.75 a share as at June 1, 1938.

Maple Leaf Milling

Both the common and class A preference stock of Maple Leaf Milling Co. qualify for inclusion in a list of stocks selling under $5 a share. This company has $4.6 millions of 5½% first mortgage bonds on which interest is payable one half in cash and the other half in class A stock until the end of this year.

Whether or not the company will be able to start interest payments all in cash next year appears somewhat doubtful at present. Bank loans of $2 millions have been treated somewhat similarly to bond interest since the 1934 reorganization. The company has 73,246 class A shares outstanding and 250,100 common shares as at July 31, 1937.

The company's brand names are quite well known, including "Maple Leaf," "Monarch" flour and other lines. It has six flour mills with total capacity of 20,500 barrels of flour daily and it is expected that results for the year ending July 31 will compare favorably with those of a year ago when all interest was earned 1.09 times after depreciation.

How the Stocks Moved

With the exception of Canada Steamship Lines and Coast Breweries, range of movement in the stocks studied in this article is shown in the charts. But the charts do not show which direction the movement is taking at the moment nor do they let the investor know when the high and low points were reached.

The following tabulation gives these details and also shows the movement of the stocks which, because of changes in capital recently, could not be charted on a basis to compare with previous years.

	1938 Price Range High	Low	Last
Abitibi	4¾ July	1 Mar.	3¾ July 11
Alberta-Pacific	4½ July	2 Jan.	4½ July 7
Bathurst, B	5 July	2 June	4⅞ July 5
Bawlf Grain	2⅝ July	1.15 Mar.	2 July 8
Beauharnois	5⅝ Jan.	2 Apr.	4 July 11
Canada Bread	4½ Feb.	2 May	4⅜ July 9
Can. Breweries	2½ May	1.10 Mar.	2 July 11
Can. Canners	5¾ Feb.	4 Jan.	5 July 8
Can. Ind. Alc., A	4¾ Jan.	2⅛ Mar.	3 July 11
Can. Ind. Alc., B	4 Jan.	1½ Mar.	3 July 9
Canada Steamship	4¾ June	1½ Apr.	3½ July 9
Coast Breweries	1.30 June	1.17 June	1.20 July 11
Commercial Alc.	1.60 Feb.	0.90 Mar.	1.50 July 9
Easy Washing	5 Feb.	2⅜ Mar.	3¼ July 9
Harding Carpets	3⅞ Jan.	2¾ Apr.	3 July 11
Inter. Paints	4½ July	1¾ Mar.	4¼ July 5
Inter. Utilities, B	1 Jan.	0.50 Mar.	0.90 July 8
Maple Leaf, pref.	6 May	3 Mar.	4 July 6
Maple Leaf, com.	3⅞ May	1½ Mar.	3½ July 7
Rogers-Majestic	4 Jan.	3 Mar.	3½ July 9
Standard Pav.	4 July	2 Mar.	3⅛ July 11
Walkerville Brew.	1.60 Jan.	1.10 Apr.	1.55 July 9
Winnipeg Elec., A	3⅛ Jan.	1½ Apr.	2½ July 11
Winnipeg Elec., B	2¾ Jan.	1 Apr.	2¾ July 9

Canada Bread

Food companies are only represented in this list by the junior stocks of two companies, Canada Bread and Canadian Canners. Features of food companies are the more than average stability shown in earnings and this applies in this case more to Canada Bread than to Canadian Canners which is quite dependent on the export market to the United Kingdom.

Canada Bread Co. has made good progress in the past few years. Arrears of dividends have been reduced until they amount to only $2 a share on the class B preference. In the year ended June 30, 1938, sales were higher, amount of bonds reduced and financial position remained satisfactory, according to C. H. Carlisle, president.

The company has 22 bread and cake making plants from Manitoba to Quebec. Its capitalization as at June 30, 1937, included $754,900 of 6% first mortgage bonds and $1¼ million each of 6% first preference and 5% class B preference, as well as 200,000 common shares. A year ago the company's net profits were large enough to leave a balance of 20 cents a share available for the common.

Canadian Canners

Canadian Canners, largest unit in the canning industry in this country, had a record breaking year in the 12 months ended Feb. 28, 1938, and earned 97 cents a share on its common against 75 cents in the previous year. Some reduction from last year's record sales volume is looked for in the current period. The company has $3.1 millions of 3% and 4% first mortgage bonds, $3.8 millions of 5% first preference and 363,732 no par value convertible second preference as well as 137,784 common shares. There are no arrears of dividends on either class of preference stock and continuation of earnings on a basis comparable with last year should bring closer the time of a payment on the common.

Stocks of liquor and brewing companies are the largest group among this list of low-priced stocks. This group also includes two of the dividend paying stocks. Problems of the brewing industry in Canada were outlined in a recent article in The Financial Post, and are largely those of establishing satisfactory public relations. The brewing business, particularly, is subject to extreme periods of seasonal fluctuation and right now, is entering the best sales period of the year.

Canadian Breweries

Canadian Breweries has $1.3 million of 5½% debentures, and 163,428 shares of $3 cumulative preference stock, ranking ahead of the 673,861 no par value common shares. It is an important unit in the brewing industry in Canada, operating principally in Ontario. Originally formed in 1930 to consolidate a number of formerly independent brewing concerns, it has since followed a policy of closing down unprofitable plants. More recently, greater emphasis has been placed upon modernizing plants still in operation.

Arrears of dividends on the preference stock amounted to $4.50 a share as at Jan. 15, 1938, and no dividends have ever been paid on the common. In the year ended Oct. 31, 1937, the company earned $2.01 a share on its preference as compared with annual dividend requirements of $3 a share, and paid $1.75. Currently, it is paying dividends on this stock at the rate of $2 a share annually.

The first six months of the current year, which includes the winter months, when sales are less satisfactory, gave a net profit available for the preference of 31 cents a share against a deficit of seven cents a share a year earlier. The company's interests have recently been enlarged by the inclusion in its balance sheet of control of Canada Bud Breweries and Reinhardt Brewery, both in Toronto.

Canadian Industrial Alcohol

A substantial interest in the common stock of Canadian Industrial Alcohol Co., is held by Hiram Walker-Gooderham & Worts, which the company recently made an offer to holders of Canadian Industrial Alcohol shares. Although this offer was rejected at a meeting in May, efforts are still being made to obtain either consent of the required majority of shareholders, or an improved offer from Walker's.

Under the original offer, holders of 100 shares of either the class A voting stock or class B non-voting stock of Canadian Industrial Alcohol, would have received 15 shares of preferred stock and three common shares of Hiram Walker.

Capitalization of Canadian Industrial Alcohol includes $2.3 millions of 5% redeemable debentures, 988,480 shares of class A voting stock and 123,436 shares of class B non-voting stock. The company has been liquidating its holdings of American type whiskey and looks forward to a period of reduced operations as a result.

Its industrial alcohol division is important. In the year ended Sept. 30, 1937, net profits available for the combined classes A and B shares were equivalent to 49 cents a share against 32 cents a share in the preceding period.

Walkerville Brewery

Walkerville Brewery is a small independent brewing concern operating in Ontario. Its capitalization consists only of 375,000 no par value common shares, on which dividend payments were initiated in January of this year. An increase in sales of 31.6% in 1937, brought net profits to the equivalent of eight cents a share against three cents in 1936. The company's working capital is strong, and plant improvements made last year, should assist its position.

Coast Breweries

Coast Breweries is a holding company for a number of British Columbia breweries. Its capitalization consists of 1,803,150 no par value common shares, giving effect to a 10 for one stock shift carried out in April of this year. Dividends have always been paid on the stock, but in view of the recent capital change, a comparison is difficult. On the former stock $1.20 a share was being paid regularly. In the year ended June 30, 1937, the net profits were equivalent to $1.37 a share on the old stock, or 13 cents on the new stock.

Commercial Alcohols

Commercial Alcohols does not manufacture any liquors or beverages directly, but a subsidiary operates a bottling plant with an output of 500 cases of liquor per day. The company's products are pure and de-natured alcohol, and magnesia insulating materials which, according to the president, are not subject to wide fluctuations during a business recession.

Capital includes $250,000 of 8% convertible preferred and 177,400 common shares. In the year ended March 31, 1938, the company earned 98 cents a share on its $5 par value preferred and 16 cents a share on the common. Regular dividends are paid on the preferred, but no payments have been made on the common since 1928. A reorganization last year eliminated arrears on the old preferred which amounted to $68 a share. Working capital was also strengthened as a result of this reorganization. The Canadian Johns Manville Company takes the entire output of the company's magnesia insulating material.

Utilities are represented in this study by four companies, assuming that the Canada Steamship Lines can be classed as a utility company. Problems of these companies are largely those brought on by the conditions under which they operate in individual cases, and it is difficult to generalize on the group.

Beauharnois Power Corp.

Beauharnois Power Corp. is controlled by Montreal Light, and Heat and Power, and its chief source of revenue is power sold under contract to the controlling company, and to Ontario Hydro. A reorganization has just been completed, which it is hoped will provide the means for raising additional money to complete the company's plant on the St. Lawrence River. Substantial amounts of senior securities rank ahead of the Beauharnois Power Corp. common stock which will be outstanding to the amount of 1,431,559 shares as a result of this latest reorganization.

Ahead of this stock will be $58 millions of 4½% first mortgage bonds, all held by Montreal Light, Heat and Power, and $16.2 millions of second mortgage 5% bonds, as well as $1.8 millions of 5% convertible notes. Earning power of the company should increase as deliveries of power under the various contracts increase, and it is estimated that within two years there will be a balance available for the common stock.

Winnipeg Electric

Winnipeg Electric Company, which operates in and around Winnipeg, went through a reorganization in 1935, which was designed to place the company in a position to cope with present conditions. Last year, the company earned $2.65 a share on its preferred stock, compared with $4.01 in 1936. This stock carries a non-cumulative dividend of $4 a share. So far in 1938, the first five months have shown a decrease of 5.19% in net earnings.

Capitalization includes $3.5 millions of first mortgage 4½% bonds, $27.4 millions of general mortgage series A bonds, and $6 millions of series B income bonds. There is also $5 millions in preferred stock outstanding, 281,712 class A and 283,277 class B common shares. The two latter classes of common stock rank equally, except that only class B shares have the voting privilege. The company is meeting competition from the city-owned Winnipeg Hydro System, and is continuing negotiations for a new franchise for its street railway system.

Last year, a contract to sell power to the Winnipeg Municipal Hydro System expired,

(Continued on page 18)

Liner Subsidy Not Settled

C. P. R. President Leaves for Further Discussions in London

From Our Own Correspondent

MONTREAL.—Progress is being made in negotiations for subsidizing steamship services between Canada and New Zealand, according to an announcement made in the British House of Commons, but a final decision has not been made as yet.

Negotiations for a subsidy for new liner tonnage for the Canada-Antipodes service of the Canadian Australasian Line, in which the Canadian Pacific Railway has a 50% interest, have been under way for more than a year, but some difficulties have been encountered. Discussions are now being resumed and it is said that when the outlook appears reasonably hopeful a final decision will be made. Sir Edward Beatty, president of the C.P.R., is now on his way to London to take part in the discussions.

Approved in Principle

It is known that plans for the improved service have been approved in principle by the governments concerned, but some important questions remain to be settled. In the main, these have to do with the cost of the vessels and the method of financing. The rise in construction costs since the Imperial Shipping Committee made its recommendation has been substantial.

The object of the proposed new service is to combat U. S. competition in the Pacific. Plans call for the construction of two fast passenger liners to operate between Vancouver and the Antipodes.

New Books . . .

A Look at Canada

CANADA TODAY. By F. R. Scott. Published by Oxford University Press, Toronto. Price, cloth $1.25; paper, 75 cents.

"Canada Today" is a condensed analysis of Canadian conditions and Canadian problems with special emphasis on those that have a bearing on Canada's external relations.

The author describes the most important economic, political and social factors which determine Canada's national interests and outlook. He distinguishes the various schools of opinion within the country, and he particularly emphasizes the relation between internal forces and external policy.

F. R. Scott has been for 10 years a member of the faculty of law of McGill University, Montreal, and is now professor of civil law.

This book is part of the documentation for the unofficial conference on British Commonwealth Relations to be held near Sydney, New South Wales, from Sept. 3 to 17, 1938.

The conference is being held on the invitation of the Australian Institute of International Affairs.

The Sydney Conference will be the second of its kind, the first having been held at Toronto, in 1933, when the discussions centred upon methods of consultation and co-operation between the member countries of the Commonwealth.

The forthcoming conference will be private and unofficial in character, and will furnish leading men throughout the Commonwealth with an opportunity of discussing, informally and frankly, questions of outstanding interest bearing on the relations between the various members of the Commonwealth.

The volume is published under the auspices of the Canadian Institute of International Affairs, a national organization with branches in 16 of the principal Canadian cities.

Selling Scientifically

SALES ANALYSIS FROM THE MANAGEMENT STANDPOINT. By Donald R. G. Cowan. Published by University of Chicago Press, Chicago. Price $2.

What can the economist and researcher offer to the sales manager to help him in the solution of his more perplexing problems? Mr. Cowan answers the question in this book and reveals a type of scientific market analysis and sales management that will surprise and delight every serious-minded, intelligent man in business.

Mr. Cowan is an ex-Canadian. Graduate of the University of Toronto, he is now lecturer in marketing at Northwestern University, Chicago, and chief statistician of the commercial research department of Swift and Company.

Here he reveals the technique of sales research as practised in large and progressive business institutions. He describes methods of analyzing sales performance, studying markets, and applying modern research to the distribution end of business. Many businessmen will find it hard reading, but nowadays most big business institutions have someone at or near the top of their sales organizations assigned to study and apply serious research techniques.

Bren Machine Gun Contracts

Equip Inglis Plant For the Manufacture of Other Small Arms

Contracts for production of Bren machine guns for the Canadian and British Governments by John Inglis Co. of Toronto provide opportunity for some additional profits, above the 10% allowed on stipulated costs. In effect, the company is entitled to 25% of savings in production costs effected after manufacturing operations are under way.

The chance of extra profit is embodied in the provision for establishment of a "standard cost" figure after the plant gets into full production. It is stipulated that the company shall receive, should it succeed in making the guns at a cost below the standard amount set, 25% of "the difference between the actual ascertained cost and the standard cost as determined." Increases or decreases in cost from causes beyond control of the company will not be taken into account. The Government is to determine the date of "full production."

It is expressly agreed that any payments of this nature shall be in addition to the 10%-of-cost profit allowed. They also are excluded from the limit of $457,700 set on the amount payable as profit under contracts with the two Governments.

Gun Contracts

Major portion of the contracts are devoted to detailed outline of what shall be embraced in computing production costs, and on which of these items profit is to be calculated. This is shown by analysis of the contract with the Canadian Government for 7,000 guns, as tabled in the House of Commons. Contract with the British Government for 5,000 additional guns has almost exactly the same pattern. The two contracts call for total outlay estimated at $5 millions.

Basis of the contracts and any modifications which may be necessary as circumstances arise from time to time, will likely constitute a model for any future contracts made in Canada by either Government for war materials. Following summary of the Canadian contract is thus of significance, in indicating the general terms on which Canadian firms may expect to do business in this field.

License to produce Bren guns in Canada is to be provided by the Government for 10 years, may be renewed after that, but is not to be exclusive. Government approval and control is required should the company be licensed directly by the patentees. License may not only be cancelled for "proper cause," but also in the event that proceeds of any public sale of securities by the company are not directly applied and kept applicable to carrying on the company's business.

Other Small Arms

Company is to produce both the 7,000 guns and any spare or component parts required. The machinery, tools, dies, jigs and gauges to be installed for manufacture of the gun are to be capable also of being used to produce Enfield rifles, pistols, other small arms, and parts thereof. This suggests one or both of the Governments contemplate possibility of obtaining requirements for rifles and small arms from the Inglis plant in future.

The machinery, etc., may be provided by the Government or bought or manufactured by the company, but in any event the cost is to be borne by the Government and the equipment is to remain Government property.

Equipment Costs

The company is to be reimbursed for all equipment, for engineering and planning, for installation costs, and for other preliminary services necessary to put the plant in readiness for production of the guns. Two thirds of this preliminary compensation is to be paid by the Canadian Government and one third under the British contract. The joint payment is to be on the following basis:

1. Actual cost of investigation, planning and engineering services prior to making of the contract, but not over $20,000.
2. Actual cost of machinery, etc., procured or manufactured by the company.
3. Certain other costs prior to beginning of manufacture, stipulated in general citation of allowed costs.
4. Profits of 10% on cost of manufacturing equipment, whether it is made by the company, produced from outside sources by the company, or bought and provided by the Government; and on the costs referred to in paragraph 3 above.

The Canadian contract stipulates that computation of the 10% profit on the operation as a whole shall exclude five cost items, on which it was felt profit could not reasonably be paid. These are; sales tax, customs duties paid by the company, directly or indirectly; royalties and licensing fees for use of patents and designs; interest on bank loans; and allowance for depreciation. These items are, however, included in the definition of costs for which the company is to be reimbursed.

Canadian Contract Limit

A limit of $267,000 is set on the amount which can be paid under the 10%-of-cost profit arrangement in the Canadian contract. As the British contract allows a profit on a proportionate basis, the company can thus earn a total profit of $457,700 under the two contracts, plus whatever bonus it receives on savings in production costs below the stipulated standard.

Following is a summary of the cost items to be allowed in compensating the company and on which (with the exceptions cited) the profit is to be calculated:

1. Royalties or licensing fees for patents or copyrights.
2. Wages or salaries of workmen, supervisors, clerical staff, inspectors, executive officers and others engaged in equipment of plant, production of guns, and delivery of shipments.
3. Cost of materials, perishable or special tools, etc., subject to approval by the Government of prices paid. In cases where wages or salaries are paid, or materials bought, at rates in excess of those approved, the excess must be paid by the company.
4. Travelling expenses of company's employees, technical advisers and engineers.
5. Costs of light, heat, power, gas, telephone, telegraph, stationery, office supplies, postage, excise stamps, and similar expenses; cost of maintenance and repairs on buildings or machinery.
6. Costs of tests of guns, including cost of cartridges and other materials used prior to delivery of completed guns.
7. Rental or rental value of buildings, property and equipment used to perform contract.
8. Customs duties, sales and excise taxes, and any other taxes or duties levied on materials.
9. Insurance on plant, equipment and materials.

Depreciation Allowance

10. Depreciation allowance on buildings, machinery and equipment, whose value for this purpose is fixed in the Canadian contract at $280,000. It is provided that allowance is to be computed only on such portions of buildings and equipment used in carrying out contract. Rates allowed: 2½% on brick or stone buildings, 5% on wooden buildings, and 10% on machinery, excepting specified special equipment required for Bren gun production.
11. Business and property taxes paid by the company.
12. Approved legal costs in connection with performance of contract.
13. Interest on bank loans obtained to finance any additional plants which may be required by the Government.
14. Such other costs as the Government may approve as "necessarily incurred in the preparation and performance of the contract."

Reimbursement of the company for general overhead costs as well as wages and salaries is subject to approval of the Government, both as to rates and amounts. In a schedule attached to the contract, the rates of wages to be paid are set at levels ranging from 40 cents an hour for ordinary laborers to 80 cents an hour for die makers, gauge makers, jig and tool makers. An eight hour day and 44-hour week are stipulated.

These rates are minimum for all workers engaged in production of the guns. They are also maximum as far as any compensation to the company for labor costs is concerned.

Hold Back on Payments

After commencement of manufacture, payments to the company are to be made on the basis of certified monthly statements of running costs.

Immediate payment is to consist of 90% of such certified costs, plus 75% of the profit allowed on these amounts. Balance of such cost and profit amounts is to be paid upon acceptance of each gun by the Government. Delivery of the guns is to be f.o.b. at the Toronto plant of the company, following tests at the expense of the Government.

Payment of the balances is to be based on provisional unit costs of $487 for the first 1,000 guns produced for the joint order of the Canadian and British Governments; $314 for the next 3,000 guns, $294 for the next 6,000 guns, and $294 for the final 2,000 guns. On completion of guns, according to the same numerical grouping, the Government will make any adjustment necessary between payments under the provisional cost basis and actual cost and profit as finally determined.

The "standard cost" figure is to be mutually agreed upon within 90 days of the time at which the Government decides "full production" has been attained. Mutual agreement is also to govern the period during which the standard cost is to be effective, and during which the company gets 25% of the difference if it cuts actual cost below the standard set.

Arbitration in disputes

Arbitration is provided for any dispute arising out of the contract, but the Government may take immediate possession of the plant in the event of the company going bankrupt.

Should the company be deemed responsible for unreasonable delay, default, or excessive costs under the contract, and adjustment fail to result on demand or out of arbitration, the Government may take over the plant. Should the contract be cancelled for reasons other than these, due allowance will be made for any payments or commitments made by the company. If cancellation should be effected before production has begun, the company would be paid $43,750; if after start of production, this compensation would be reduced in proportion to the amount of profit already paid on the 10% basis.

Time limits for deliveries of the 12,000 guns on order from both Governments are set as follows, with the Canadian contract applying to only seven-twelfths of the amounts specified:

1,000 guns to be delivered between expiry of the second and third years from date of contract (March 31 last).

3,000 guns between expiry of third and fourth years.

6,000 guns between expiry of fourth and fifth years.

2,000 guns in four months following end of fifth year.

Hay Fever Hymn of Hate

Annual Outcry Against Weed Menace Brings Problem Into Economic Realm

At this stage of summer, tens of thousands of hay fever sufferers dwell in a metaphorical purgatory, a little island in their misery between the two big hay fever seasons.

April, May and the early part of June—so the scientists say—is the first big bout, caused by pollinating trees, mainly elm, maple, willow, walnut, oak, birch. Then there are timothy, orchard grass, red-top, daisy, June grass. They begin early in May and end early in July.

Then there is a short lull until Aug. 15, when a whole family of plants and weeds blossom for the pleasure of some mortals, the horror of others.

It is this final season which causes the most widespread misery. It also arouses the greatest anger in the sufferers and the most letters to the newspapers with schemes for its alleviation. And more than three quarters of the trouble is caused by a single plant, science says—ragweed.

This last season is the one about which man can definitely do something.

Hay fever anger hits its high at the wide measure of official indifference to victims' plight as demonstrated by the vast proportion of vacant lots, roadsides, etc., which will soon be standing high with goldenrod and ragweed, flaunting their amazing powers of growth and reproduction in the face of the law that they are to be cut down.

Economic Angles

The problem very definitely has its economic angles. How many millions of dollars are lost to business yearly, how much bungling and inefficiency result from the thick wretched heads of hay fever victims is anybody's wild guess.

Keeping Canada a hay fever refuge is also good business. Other travellers come and go, but hay fever tourists are reliable, regular clients for their favorite haven.

Year by year these refuges become fewer and fewer. The most recent scientific study found that there was only one tourist area in Canada which was completely free of danger, though there are still a number of resorts where relief can be obtained.

Science has a way of measuring the amount of pollen in the air. Here are the "scores" for a few communities. Buffalo, 8,990; Toronto, 1,251; Montreal, 744; Winnipeg, 374; Ottawa, 542; Prince Albert, 6; Seattle and Portland, 0; State of Maine, 8; Bar Harbor, 454 and Boston, 790.

Cars Spread Seeds

Scientific men blame the wildfire spread of ragweed and goldenrod partly on the tourist traffic and its offspring, motor traffic. In the horse and buggy days, Canada was comparatively free of these two weeds while New York and Ohio were the worst infested areas in the entire continent, with Buffalo and environs capping everything. And it is through these areas that Canada gets its greatest volume of tourists.

Watch any car go down a dusty road. Watch the cloud of dust trail over the fence and across the fields. There may be hardly a breeze, but the motor car has set up its own currents, strong enough to hurl dust particles over a wide area.

You can't see goldenrod and ragweed pollen in the air, but it works just the same, save that in this case it is not one car going 20 miles an hour down a country road, but hundreds and hundreds of cars going 60 miles an hour sucking up the weed dust and blasting it across a countryside.

Weed-cutting Campaigns

A few provincial highway departments, notably Ontario, are leading the way both in keeping down weeds and improving the attractiveness of their roads to tourists by regularly cutting down weeds along highways. But this, so far, is confined almost entirely to main roads.

Toronto and adjoining municipalities have got together for the biggest weed-cutting campaign in the city's history. Gangs of men totalling as high as 500 are made up from relief rolls, handed scythes, sickles equipped with power mowers and chemicals and sent sweeping across the whole area, cutting down and rooting up weeds in backyards vacant lots, and roadsides.

The hay fever victims and some of the alert tourist interests think it high time that some of the tourist areas did similar campaigning.

Making ragweed and the troublesome plants public enemies is the aim of fever victims. First step they believe is to educate the public to know ragweed when they see it. Then Boy Scouts, Girl Guides, service Clubs, golf clubs, medical societies and all the others of this type should be induced to wield their influence against the weeds.

Equally important is the suggestion that sweeping changes in the Weed Control Act are needed, placing responsibility for its administration on public health authorities and making sure that it will be enforced. Meanwhile, "Achoo!"

Eastern Car Co. Seeks Bonds for Sinking Fund

From Our Own Correspondent

MONTREAL.—Eastern Car Co., a subsidiary of Nova Scotia Steel and Coal, has asked for offers to sell first mortgage bonds of the company up to an amount of $41,272.

Tenders will be received up to July 30 and the interest on all bonds accepted will cease on that date.

Contingencies . . .
The Corporation and Individual Provides for

The business of this Company grows with the development of business in the territory it serves and the progress of its clients. It is only natural, therefore, that this Company should be eager to co-operate to the fullest extent possible by faithful services to progressive individuals and firms.

The Central Trust Company of Canada by its policies and methods of operation — by its record in the investment and administration of trust funds — by its declared intention to continue its long career as an independent Trust Company —assures, as far as is humanly possible, that the Estates, business of responsible corporations, firms and individuals entrusted to it will be ably administered with full satisfaction to heirs and beneficiaries.

THE CENTRAL TRUST COMPANY OF CANADA
Head Office: · Moncton, N.B.
Branches: Fredericton, N.B. Woodstock, N.B. St. John, N.B.
HON. FRED MAGEE, *President.* A. C. CHAPMAN, *Vice-Pres.* HON. DR. E. A. REILLY, K.C., *Secretary.* E. H. RITCEY, *Gen. Mgr.*

Tax Collection Picture Better

Research Institute Survey Shows 3% Drop in Municipal Arrears

Municipal tax collections in Canada, which took an upward turn in 1934, after three years of continuous decrease, resumed their upward flight in 1937, the Citizens' Research Institute states in a recent release.

The survey covered 246 urban or suburban municipalities in Canada, with a combined population of 5,103,158 and a total current tax levy of $198,236,213 for municipal and school purposes. It reveals that uncollected taxes for current and previous years (but not including tax sale lands and certificates, etc.), amounted to $78,247,509, or 39.5% of the current levy in 1937. In 1936 the corresponding figure was 42.7%; in 1935 48.8%; in 1934, 50.7%; in 1933, 51% and in 1930, 31%.

The Institute states that in the readiness with which tax demands are met lies one of the most sensitive and reliable indicators of the credit rating of a municipality. It urges any municipalities that are having difficulties in this respect to make an investigation of their tax collecting organization.

The doubtful honor of being the municipality possessing the highest per capita tax levy in Canada in 1937, goes to Westmount, Que., with $61.28. The lowest is Joliette, Que., with $10.39 per capita. This is taken from a partial list of Canadian municipalities, compiled by the Institute.

Representative of conditions in Canadian municipalities is the comparative list below, in which a number of civic corporations have been analyzed by the Institute:

	Per capita tax levy 1937 $	Current levy uncollected at yr. end 1937 %	Per capita total tax arrears 1937 $
Vancouver ...	40.14	9.0	22.88
Victoria	41.99	17.7	14.20
Calgary	40.24	23.6	15.09
Edmonton	42.45	18.7	23.05
Regina	44.11	35.1	23.94
Saskatoon	44.51	34.4	33.90
Brandon	27.80	40.0	14.36
Winnipeg	40.21	25.9	12.70
Hamilton	44.11	15.0	12.36
Toronto	54.32	14.6	11.31
Montreal	43.15	24.5	17.63
Quebec	37.25	30.4	27.06
Saint John ...	41.82	31.5	14.92
Halifax	36.33	24.9	15.09
Sydney	23.67	22.6	6.03

C.I.L. Makes T.N.T. For Great Britain

Small Order for Powerful Explosive Classed as "Non-return"

From Our Own Correspondent

MONTREAL. — Canadian Industries Ltd. is manufacturing a small order of T.N.T., a powerful explosive, for the British Government, according to an official statement issued by the company.

The statement issued by A. B. Purvis, president, follows:

"Munitions business placed by the United Kingdom with Canadian Industries Ltd. is confined to a small order for Trinitrotoluol which is being manufactured at the company's Beloeil plant. It is understood that this is probably non-return business, and that expansion of United Kingdom facilities will take care of the situation for the future, except in the event of war breaking out.

"The policy of Canadian Industries Ltd. remains unchanged from that previously in force, namely, to confine its deliveries of military explosives to supplies requested by the Canadian, United Kingdom or other British Empire Governments, and it is not expected, as mentioned above, that orders will be of any moment except in the unfortunate circumstance of war."

Sunsoy Products Formed To Process Soy Beans

Sunsoy Products, Limited, has been incorporated as a subsidiary of Canadian Breweries Limited. The new company will occupy 50,000 sq. ft. in the old plant of the Dominion Breweries in Toronto, and is taking over the net assets of Soy Bean (Sunsoy) Products Limited. Operations at the new location are to begin early this month, and the company plans to mill soy beans to produce soy bean flours and granules used in the making of bread, cakes, icings and confectionery.

The new company will be able to use soy beans grown in Canada. New machinery being installed makes this possible, where the former company found it necessary to import its raw materials in a semi-processed condition from the United States.

Moistureproof!

MAKE THIS EXPERIMENT—the paper on EXPORT Cigarettes is genuinely moistureproof! Won't stick to the lips. It's tasteless, odourless, free-burning . . . you enjoy the full natural flavour of fine Virginia Tobacco.

"EXPORT"
Gold Standard Virginia Cigarettes

Dom Foundries Offers Rights

Holders of common shares of Dominion Foundries & Steel are being offered rights to purchase an additional share for each four shares held at $15 a share. Rights will expire on July 30, 1938.

As current prices for the stock is around $43 a share, it can be seen that these rights will have a considerable value to shareholders. Complete exercise of rights would require the issue of an additional 30,163¼ shares. At $15 a share this would give the company an additional $452,445 in cash working capital.

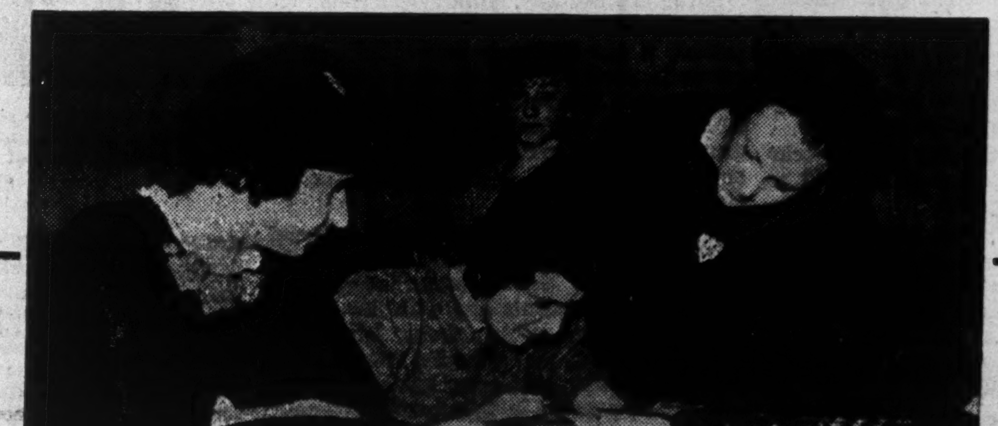
No statement can be obtained as to the company's needs for additional working capital. As at Dec. 31, 1937, cash amounted to $297,364, while total working capital was over $1 million. In March, 1937, a total of 24,653 common shares were issued at $15 a share through rights and the offer of stock to employees.

N. B. Electricity Board Buys Grand Falls System

From Our Own Correspondent

MONTREAL. — New Brunswick Electric Power Commission will acquire from the town of Grand Falls, 10½ miles of rural electric lines, at a cost of $13,500, according to an official announcement made by the Commission.

The lines acquired will serve 120 additional customers and will be incorporated in the Commission's rural distribution system, centred in Grand Falls. The new district will be served by power purchased from the Gatineau Power Co., Grand Falls.



"When Women Investigate Prices"

NOW that the initial excitement accompanying the formation of the Housewives Association in Toronto has quietened . . . what was the outcome of the movement? What is the real situation behind the price of milk in Toronto? Can women really affect the price of milk and other commodities?

July Chatelaine develops a number of vital points. While ignorance of the true economic situation led to the formation of the movement, these women have since learned a good deal. It is significant that they admit making mistakes which would have been avoided through a more intelligent knowledge of the product and its distribution.

Membership in the Housewives' Association has grown phenomenally. It includes all classes. Meetings are addressed by responsible speakers. An active programme is scheduled for the Fall. These women now have a new interest in life. They are preparing to investigate the business of living as never before.

What do they think about you?

What opinion do women hold with respect to your business? Are they labouring under some false idea that you, too, are contributing to the high cost of living? Or do they *know* enough about you and your products to give it their approval and patronage? Perhaps they should be told more definitely the contribution your business actually makes to their welfare, the advantages and economies it brings to them.

Reach and influence women throughout Canada through Chatelaine—the outstanding woman's magazine. Chatelaine's now-famous scientific editorial policy provides a most effective background for informative advertising that aims towards a complete understanding of your product.

CHATELAINE
a magazine for Canadian women
481 University Avenue · Toronto, Ontario
BRANCHES AT · MONTREAL · LONDON, ENGLAND · NEW YORK · CHICAGO

Insurance

Suicide Insurance Claims

British Ruling Voiding Policy May Affect Practice in Canada

Is life insurance voided by suicide?

This question is raised by a recent court decision in Great Britain which may have repercussions in Canada.

In 1925 Major Rowlandson took out life insurance policies totalling around $405,000. By 1932 he found it impossible to keep up his premium payments and by agreement with the company the policies were reduced to $250,000. June, 1934, Rowlandson's affairs were in a hopeless tangle and he was unable to pay premiums due that month. The company offered several extensions of time—beyond the usual period of grace—but set an absolutely last-minute deadline at 3 p.m., Aug., 3, 1934.

The last day came. At three minutes to three Rowlandson shot himself in a taxicab in a London street. The premiums had not been paid. Neither were his personal debts amounting to some $340,000.

The Royal Insurance Co. took the matter to court. There, they were ordered to pay. The case was appealed. The first decision was reversed, and this finding has been sustained by the lords.

The Suicide Obligation

What the decision amounts to, generally, is that a life insurance company has been relieved of any obligation to pay because the insured committed suicide.

Canadian life insurance companies are considerably embarrassed by the decision. In their policies, they state they will not be liable if the insured commits suicide within two years after the policy has been issued. Outside this restriction, they have never hesitated to pay suicide claims, and their rate structure includes the suicide hazard.

The basis of the appeal court's decision was "public policy"; that it is "the over-riding duty of a court not to allow a criminal to reap, by judgment of the court, the fruits of his crime."

Rowlandson, the court heard, felt that his debts would cause much suffering among his individual creditors and that it would mean little to the insurance company.

Making New Law

"Judges are supposed to find on law alone, but it is inevitable that they are influenced by particular situations and cases," one lawyer explained. "They may have been justified in their finding in this particular case, but at the same time they made new law, implications of which they probably did not fully realize."

Belief that the decision may not apply in Canada is based on the fact that suicide is specifically mentioned in the Uniform Act, the legislation covering insurance in most provinces of Canada.

Roughly, the argument is this. An insurance company sets out in its policy that if suicide occurs within two years after the policy was written, *the insurance* is void. Hence, it is logic that *if* suicide occurs more than two years after the policy was written, the company is liable.

This form of the contract may make it impossible for a court to allow default on the public policy argument.

Life insurance practice differs considerably between Canada and Great Britain. The suicide clause (limiting claims to those two years after acceptance) is standard in Canadian life policies; it is unusual in British policies.

There is also considerable difference in the manner in which beneficiary clauses are handled. So important are differences that the Canadian Bar Review states, "It may well be argued that the rule of public policy with regard to such clauses in the provinces of Canada should follow that of the United States rather than Great Britain, where the practice in life insurance is apparently quite different."

How the new English decision is going to be taken in Canada will not be known until a suicide life insurance case comes along to test it. The decision virtually says to Canadian life companies that they must not pay suicide claims—on grounds of public policy. Whether they will seek to maintain present policy and pay without taking advantage of the decision no one now ventures an opinion.

The decision amounts, in one respect, to court authorization for breach of contract. It has a far-reaching effect on the extent to which an assignment of life insurance policies may be safely accepted as security for the payment of a debt or the performance of an obligation by the insured.

Windsor Ferry Is Discontinued

Plan For Purchase By Tunnel Corp. Before Interstate Commission

Detroit & Windsor Ferry Co. will stop operations on July 18. Competition from the bridge and tunnel is given as the cause.

The ferry service has been maintained constantly for 75 years by the present company and its predecessors. Excursion boats operated by the company will continue to run.

A plan for purchase of ferry system by the Detroit & Canada Tunnel Corp. is awaiting approval of the Interstate Commerce Commission. Under this plan $750,000 in Tunnel Corp. first mortgage bonds plus $150,000 in cash will be given in exchange for company properties.

Elimination of the ferry company would greatly reduce competition, leaving only the two means of conveyance between countries.

Business Bureau Names New General Manager

Appointment of Glenn F. Card as new general manager of the Montreal Better Business Bureau has been announced by directors. Mr. Card, who has for some time been associated with Rogers Montreal Ltd., succeeds R. H. Neilson, who resigned as general manager several months ago and at latest reports was seeking to organize a better business bureau in Vancouver

Ontario's Losses From Fire Down

Insurance Loss Rises Though Damage Is Down

Fewer fires struck Ontario during the first six months of this year than in the similar period of 1937, according to Fire Marshal W. J. Scott.

Fire loss this year was down by $175,000 at $4.1 millions but the insurance loss was higher by $129,000 at $3.5 millions.

Loss not covered by insurance was $568,000 this year and $873,000 in the same period last year.

Insurance Notes

Metropolitan Life's leading agents in business so far this year are Pierce J. Brewster, Saint John, in industrial business, Norton N. Lende, Humber, in accident and health, and Roland Glandon, Hull, in ordinary business.

* * *

Great-West Life Assurance Co. reports new business during the first six months of this year increased more than $2¼ millions compared with the average for similar periods during the past six years. Business in force gains averaged more than $1 million a month for the year to date.

* * *

Increases of 17.5% in new issued business and 21.5% in first-year premiums are reported for the first half of 1938 by Western Empire Life Assurance Co.

* * *

Life underwriters at Thunder Bay were recently addressed by the Dominion President of the Canadian Association, J. E. Irving. About 35 attended.

* * *

Insurance men from all over Michigan met in Lansing recently to mark the 35th anniversary of the entry of the Manufacturers Life into the United States field.

On June 22, 1903, the company's first U. S. policy was issued to a Michigan resident. Robert Campbell started from scratch and laid the foundations for the company's operations in the United States, where it now has more than $104 millions of business in force. He also supervised entry into the states of Pennsylvania, Illinois and Ohio. Mr. Campbell, now retired, was guest of honor.

Speakers included Charles E. Causs, commissioner of insurance for Michigan, J. H. Lithgow, general manager of the company, A. Mackenzie, assistant general manager, C. F. Doane, branch manager, Lansing; G. J. Reeves, Port Huron; H. A. Woodin, Detroit, H. B. Berwick, supervisor of field service, Toronto, A. Kinch, U. S. agency superintendent, H. W. Leaver, J. R. Beveridge, assistant actuary and Dr. H. C. Cruikshank, senior medical officer.

GASOLINE REGULATIONS

Amendments to the Ontario Gasoline Regulations are now in the course of preparation and will be issued shortly.

New feature is the regulation requiring gasoline and oil companies to place labels with various colored tags on the outlet faucets of all tank trucks making deliveries of gasoline and other petroleum products.

Liabilities of Employers

How necessary do you consider an insurance policy which would protect me against accidents which my employees might have while they are on business? An agent has been pressing me to take out such a policy. Do you know of any claims under this type of insurance?

How much you need this policy depends to some degree on your type of business, but it is well known that many firms have saved themselves very substantial losses through having this coverage.

For instance, not long ago a court gave judgment against a large steel company for $10,000 on account of an automobile accident involving one of its employees. The employers claimed that they were not liable, arguing that at the time of the accident there was no reason for the employee using the car.

The court, however, held that the employer was liable although it was after business hours and although the employer did not know and would not have sanctioned use of an automobile for the purpose.

Another case involved a clerk employed by a large department store. After hours he went to service a radio in his own car, but without his employer's knowledge. He was involved in an accident and because he was doing firm business the department store had to pay.

Bank Paid $8,000

A Canadian bank had to pay over $8,000 because one of its clerks borrowed a friend's car to do a bank errand and was involved in an accident.

Usually underwriters of this coverage insist that all employees carry their own car insurance. In some types of business—for instance, where salesmen are scattered all over the country—it is almost impossible for an employer to be sure that all working for him have personal insurance protection. In such cases some insurance companies may demand higher premiums.

Real need for the policy is based on the fact that where an employee is involved in an accident while on firm business, the plaintiffs will sue both the employee and the firm. Sometimes the employee may not be able to make good on damages. With this Contingent Liability coverage, the employer is protected.

Cost of Policies

Cost varies considerably according to the district, etc. Tariff rate for urban areas is understood to be somewhat as follows: For Class A employees, that is salesmen and others whose work requires that they make fairly constant use of their cars, the rate is $6 per employee, giving public liability and property damage coverage. For Class B employees—office workers who may only occasionally use their cars for running firm errands, etc.—the rate is around 45 cents per employee.

Because of the apparent tendency of courts to increase awards to auto accident victims and the likelihood that higher damages would be asked where a prominent business house is concerned, the Contingent Liability coverage can most certainly be commended to an employer's careful consideration.

Insurance Problems

Renewable Term

Can you kindly advise us as to whether any life insurance companies operating in Canada are willing to issue renewable term contracts?

We are unable to give a complete list of Canadian companies offering renewable term life policies, but among companies which do are Confederation, Crown, London, Manufacturers, Travelers of America and Occidental.

As you are probably aware, most Canadian companies do not encourage purchase of this type of insurance. There are, of course, some situations for which companies offer various types of renewable term policy. Some companies consider each case on its own merits. Others have definite renewable term policies offering various plans, such as the renewable yearly to 65 with yearly increasing premium, 5-year, 10-year and other plans.

Quite a few companies, of course, offer some temporary form of term insurance, usually as a preliminary to conversion into a permanent policy.

Occidental Life

We would like to know the financial standing of the Occidental Life Insurance Co. of San Francisco.

Occidental Life has operated in Canada under federal license since 1928. On operations of the company as a whole, assets at the end of 1937 totalled $53 millions. Business in force was $401.9 millions and new insurance effected during 1937, including reinsurance, amounted to $146 millions. Interest earned on invested assets was 4.80%, a slight reduction over the preceding year common to most companies. Business in force in Canada is around $12 millions and the amount on deposit with the Government for protection of Canadian policyholders is now $902,000, according to a member of the company.

Eastern Dairies Earnings Better

From Our Own Correspondent

MONTREAL.—Earnings of Eastern Dairies Ltd. in the first quarter of the current fiscal year showed some improvement over the same period of last year, W. R. Aird, president, told the annual meeting of shareholders here. Further improvement is looked for.

In the fiscal year which ended March 31 last, dollar value of sales increased by $618,000. This improvement was accounted for by an increase of 9.4% in prices and unit volume was maintained in Toronto, Hamilton and Winnipeg. Unit volume in Montreal and Ottawa was down slightly.

Mr. Aird stated there has been a substantial gain in milk powder production during the present year by the company's Toronto subsidiary and prices are being maintained satisfactorily.

Ontario Paper Co. Pays $160,000 to Que. Treasury

From Our Own Correspondent

MONTREAL.—Payment was made to the Quebec Government on June 30, of $160,000, being part of the $250,000 which the Ontario Paper Co., owner of the new mill at Baie Comeau, has agreed to pay in transfer duties. The company changed its name in Quebec to that of the Quebec and North Shore Paper Co., and application for letters patent under the new name has now been received by the Government.

Fairchild Aircraft Working Capital Adequate

From Our Own Correspondent

MONTREAL.—Fairchild Aircraft is adequately supplied with working capital to take care of all current requirements, according to a statement released by the company.

Sufficient funds are in hand to cover the construction of the new $50,000 addition to its factory space now nearing completion and the carrying through of the various orders for aircraft presently on its books.

New Licenses

The Federal Department of Insurance announces grant of licenses to the following companies to transact, in addition to the classes for which they are already licensed, the following types of insurance: The Eureka-Security Fire and Marine Insurance Co.—Loss of an automobile by fire and theft.

Pearl Assurance Co.—Damage to, or loss of, property of any kind, real or personal.

Stock Offer Made By Cons. Finance

Dividend of 5c Paid on Common by Installment Finance Firm

Consumers' Finance Ltd., Ottawa, paid a dividend of five cents a share on its common stock on July 5, being at the annual rate of 10 cents a share.

At a meeting on June 6, 1938, directors authorized the offering for sale of 2,632 common shares of the company at $2 a share. Common shareholders of record June 28, are being given the privilege of purchasing new common shares on a basis of one new share for each 10 shares, or any fraction of a unit of 10 shares, held. This privilege expires on Aug. 3.

The board also approved a future sale of the company's preference and common shares in units of 12 preference and three common shares at the price of $105. Previous offerings have been in units of 12 preference and four common at a unit price of $100. Directors state that the increase in price is warranted by the dividend now being paid on the common shares. It is expected that this dividend can be maintained.

In the first six months of 1938 the company purchased new finance contracts totalling $512,587, an increase of 66.3% over the corresponding period of 1937. Gross new finance charges for the same period this year were $29,943, up 54% over 1937, while contracts and notes outstanding at the end of June totalled $384,759, an increase of 37.2% over the $280,528 at the end of June last year.

Toronto BBB Membership Up

Better Business Bureau Now Second Largest in Canada

Membership of the Toronto Better Business Bureau now totals 550 concerns embracing 87 classifications of business, making the Bureau the second largest in Canada, according to the semi-annual report covering operations during the six months ended May 31. New members during the period totalled 73 firms representing 39 classifications, including auto dealers, furniture dealers, machinery manufacturers, and washing machine firms.

According to details furnished by A. R. Haskell, general manager of the bureau, over 1,200 reports were sent to members in the six months on missions, veteran organizations, publications of veteran, police, civil service and other groups, and similar sources of solicitation for businessmen's contributions. General bulletins issued totalled 23; financial bulletins, 5; radio talks, 30; public addresses before service clubs and boards of trade, 32.

The report reveals that out of 277 classified and display advertisements checked by the bureau, 142 were refused further insertion and 95 were corrected. To protect the interests of legitimate business firms, the bureau has formed special committees representative of automobile dealers, jewellery manufacturers and distributors, clothing manufacturers and distributors, and the paint and varnish industry.

Mr. Haskell reports growing respect and support for the bureau from the business community, and steadily increasing reliance on its fraud fighting facilities by both businessmen and the general public.

Canadian Gen. Electric Issues Employees' Pref.

Canadian General Electric Co. has advised the Toronto Stock Exchange that on April 1, 1938, it issued 4,500 special employees' preferred shares to take care of its current employees' savings plan. Giving effect to the issue of this stock outstanding capital is now 38,000 special employees' preferred shares and 188,845 common shares each of $50 par value.

FIDELITY
Insurance Company
of Canada
TORONTO

Amal. Electric Sales Hold Up

Outlook for Second Half of Year Is Somewhat Indefinite

From Our Own Correspondent

MONTREAL.—Sales of Amalgamated Electric Corp. in the first half of the current year were within measurable distance of volume of business in the corresponding period of 1937. No information is available as to whether the profit ratio was as large and no forecast of probable results for the year can be made as the outlook for the second half of the year is indeterminate.

Sales are understood to have shown some improvement in recent weeks, but this cannot be taken as being indicative of the outlook for the second half of the year as its sales fluctuate widely. The company is largely dependent upon the construction and equipment trades for sale of its products.

Last year, Amalgamated Electric had a net profit of $51,733 as compared with a loss of $5,666 in 1936. Recently, it was reported the company is proceeding with the policy of buying in preferred stock when offered at between $25 and $30 a share, but no statement is available from the management in this regard. During 1937 the company redeemed 723 preferred shares, bringing the total shares redeemed to Dec. 31, 1937, to 2,825 shares. At the end of 1937 there were 20,675 preferred shares outstanding.

Quebec Revamps Compensation Board

From Our Own Correspondent

MONTREAL.—The Quebec Government has entirely revamped the personnel of the Quebec Workmen's Compensation Board, three new members having been appointed. The new members are Paul Drouin, Quebec lawyer; James N. Doyle of Lachine, who has had wide experience in the insurance field; and J. L. Labreche, prominent railway labor man. This is the first time labor has had a representative on the Workmen's Compensation Board.

In appointing the new members, the Government announced the services of the three members who have administered the Workmen's Compensation Act to date are being dispensed with. The retiring members are Robert Taschereau, K.C., Montreal; Simeon Lapointe, K.C., Quebec; and O. E. Sharpe, a former provincial superintendent of insurance.

Commission to Investigate Winnipeg Financial Affairs

A commission of three members has been appointed by the Province of Saskatchewan to investigate the financial affairs of Winnipeg. Members of the enquiry are: H. Carl Goldenberg, Montreal, head of the commission; A. L. Crossin, Winnipeg, and J. T. Thorson, K.C., M.P., for Selkirk, Sask. A. J. B. Gray of the Ontario Department of Municipal Affairs, has been appointed as a consultant.

Montreal Power Production Gains

June Good Month for Power Sales — Gas Department Still Lags

From Our Own Correspondent

MONTREAL.—Montreal Light, Heat & Power Cons. reports an electricity output for consumption in the Montreal area in June, exclusive of secondary and export power, of 84,791,940 kw.h.

Output for the six months period amounted to 559,370,800 kw.h., or 1.24% down in comparison with the same period of last year.

Comparative electricity output figures for the period follow:

	1937 kw.-hrs.	1938 kw.-hrs.
1st quarter	291,501,730	297,715,850
April	94,802,790	88,718,650
May	90,228,510	88,144,360
June	89,828,680	84,791,940
Cumulative	566,361,710	559,370,800

Gas output for June totalled 406,773,000 cu. ft. This contrasted with 424,146,000 cu. ft. for the same month last year, a decrease of 4.10%. This was the largest percentage decrease reported by the company for some time past.

Cumulative output for the first half of 1938 totalled 2,526,059,000 cu. ft., a decline of 1.61% from the same period a year ago.

Comparative gas output figures follow:

	1937 c.f.	1938 c.f.
1st quarter	1,240,010,000	1,226,759,000
April	440,063,000	429,509,000
May	463,239,000	463,018,000
June	424,143,000	406,773,000
Cumulative	2,567,455,000	2,526,059,000

THE
LONDON &
LANCASHIRE
INSURANCE Co.
ABSOLUTE SECURITY
W. R. HOUGHTON
Manager

The
Wawanesa Mutual
Insurance Company
Canada's Largest Fire Mutual

A leading All-Canada Company—in volume; in strength; and in service to "select" property-owners and agents.

Home Office, Wawanesa, Man. Eastern Office: York & Harbour Sts., Toronto. Branches in Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal, Moncton.

FIRE WINDSTORM AUTO CASUALTY

THE
MONARCH LIFE
ASSURANCE COMPANY
Established — 1906
A Strong Progressive Company
Offices from Coast to Coast

MAKE YOUR FIRE INSURANCE
pay you dividends . . .

BRANCHES ACROSS CANADA

Toronto	Moncton
Hamilton	Winnipeg
Ottawa	Saskatoon
Montreal	Calgary
Quebec City	Edmonton
St. John	Victoria
Halifax	Kelowna
Vancouver	

Last year $1,291,497 was returned to our policyholders. May we tell you how you may participate in these dividends in 1938? Write or telephone our nearest office.

NORTHWESTERN MUTUAL
FIRE ASSOCIATION
NON-ASSESSABLE POLICIES ASSETS $7,683,067

Automobile and General Casualty Insurance
SERVICE SAVING SECURITY
Fire and Allied Lines Written in Associated Companies
AGENCY INQUIRIES INVITED
LUMBERMENS MUTUAL Casualty Company
VANCE C. SMITH, Chief Agent
CONCOURSE BUILDING
TORONTO

1938 Progress

London Life representatives have established three outstanding records this year in extending the services of life insurance to the Canadian public.

- For the first quarter of the year, the sale of Ordinary Life Insurance reached a new high level.
- For the second quarter the new Ordinary Life Insurance sold exceeded the above record by a substantial margin.
- June was the best month in the Company's history for Ordinary Insurance sales.

This last achievement is all the more remarkable since it exceeded June of last year by more than 50%, and was twice as large as June of 1936. This record was made possible by the work of the salesmen of Ordinary Insurance in both branches and does not include Industrial nor Group Insurance.

During the past five years, London Life representatives have further improved the quality of their service. You will find their message to be of interest and value.

STATISTICAL FACTS
Ordinary Life Insurance Issued

	1938	1937	1936
1st three months	$13,517,000	$10,823,000	$ 9,933,000
2nd three months	15,103,000	12,252,000	10,150,000
Total for Half-year	$28,620,000*	$23,075,000	$20,083,000

*Industrial and Group Insurance for the first six months of 1938 accounted for an additional $20,000,000

Established 1874
London Life
Insurance Company
"Canada's Industrial-Ordinary Company"
HEAD OFFICE • LONDON, CANADA

DOMINION WHEEL & FOUNDRIES LIMITED
DOMITE ALLOY IRONS

Foundry Employees
eagerly accept
Group Life Protection

So soundly has Group Life Insurance proved its worth, that, once tested at any plant of great Canadian industries, it is soon taken up by other branches of the same company.

Take, for example, the experience of Dominion Wheel and Foundries, Ltd., nationally known manufacturers of chilled tread car wheels, flanged pipe and fittings, and alloy iron castings. On April 1st, 1929, Group Life Insurance in the Confederation Life Association was placed on 246 employees of the Toronto plant. Seven years later, similar coverage was extended to employees at St. Boniface, Man., Montreal, Vancouver and Hamilton. At the beginning of this year, Dominion Wheel employees at Cobourg, Ont., and New Glasgow, N.S., were included. Thus, in one company, the satisfaction of the employees of a single plant spread to six other branches; coverage rose from 246 to 418 lives.

In urging employees to take advantage of the Group Life Insurance service of the Confederation Life Association, Mr. J. A. Kilpatrick, president of Dominion Wheel and Foundries told the employees:

"This is a plain straightforward guarantee, backed by one of Canada's oldest established and most progressive life insurance companies.

"We have been able to secure this substantial benefit at a remarkably low cost to each employee, because we are practically buying the insurance at wholesale rates, and we are ourselves assuming no inconsiderable part of the cost. We have decided to do this because we are firmly convinced of the advantages of life insurance to our employees."

CONFEDERATION LIFE
Head Office ASSOCIATION Toronto

STOCK AND BOND MARKET QUOTATIONS

Toronto and Montreal Stock Exchange Quotations

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING JULY 11

Range 1938 High	Low	Div. Jly9 R'te $	Y'ld %		Sales	Last July 4	Week end. July 11 H	L	Cl'se
				A					
4.75	1.00	*	...	Abitibi	76684	4.50	4.75	3.67	3.75
29	8½	*	...	Do. pref. 6%	11466	28	29	25½	28
38	25	*	...	Do. pref. 7%	30	38	35	33	35
26	9	..	..	Do. cert. dep.	100	13½	26	26	26
*6½	2½	30c	...	Acadia Sugar	....	(— bid 4 asked)			
7	5	50c	...	Acme Glove	....	(5½ bid 6 asked)			
82	75	6.50	8.7	Do. pref.	....	(— bid 75 asked)			
11	8½	60+30c	..	Agnew Surp.	....	(9½ bid 11½ asked)			
110	104	7	6.7	Do. pref.	20	105	110	105	105
4½	2	*	...	Alta. Pac. Gr.	1175	4½	4½	4½	4½
28	10½	*	...	Do. pref.	145	27	28	24½	28
100	75	..	..	Aluminium	....	(109 bid 112 asked)			
*130	118	6	..	Do. pref.	....	(102 bid — asked)			
3	2	*	...	Amal. Electric	....	(2½ bid 3 asked)			
30	25	*	...	Do. pref.	20	25	25	25	25
26½	23	60+$1	..	Amer. Cyn. B.	100	23	23	23	23
78½	47	2+1	4.2	Asbestos	1732	74½	75	72½	72½
14½	11½	60+25c	7.3	Assoc. Brew.	121	14	14½	14½	14½
111	106½	7	6.4	Do. pref.	....	(110½ bid — asked)			
*6½	6½	*	...	Assoc. T. & T.A.	....	(— bid 6½ asked)			
43½	34	1.68	...	Do. pref.	....	(— bid 37½ asked)			
101	100	5.50	5.5	Ault & Wiborg.	....	(101 bid — asked)			
				B					
60	54	2.25	3.9	Bank of Canada	109	57½	58	57	57
163	160	8	5	Bk. Can. Nat.	12	161	161	160	160
223	195	8	3.6	Bk. Montreal	396	218½	223	220	222
305	290	12	4	Bk. N. Scotia	50	300	300	300	300
249	227	10	4.2	Bk. Toronto	19	236	240	236	236
6	5	*	...	Barcelona	....	(4½ bid 14 asked)			
9	4½	96c	...	Barker's Bread	....	(4½ bid 5½ asked)			
40	30	2.50	8.3	Do. pref.	....	(— bid 40 asked)			
11½	6½	25c	...	Bathurst Pr.	2882	11½	11½	10½	11
5	2	*	...	Do. (B)	150	4½	4½	4½	4½
2.37	1.15	*	...	Bawlf Grain	1700	2.37	2.37	2.00	2.00
25	15	*	...	Do. pref.	25	20	25	20	25
2	2	*	...	Beath & Sons	....	(1½ bid 3 asked)			
15	8	*	...	Beatty Bros. A	25	9½	10½	10	10½
106	90	6	6.2	Do. pref.	....	(— bid 97 asked)			
105	90	7	7.8	Do. 2nd pfd.	....	(— bid 97 asked)			
5½	2	*	...	Beauharnois	4622	4½	4½	3½	4
*107	100	4	3.8	Belding Cort.	....	(— bid 100 asked)			
135	131½	7	5.3	Do. pref.	....	(— bid 131½ asked)			
166½	146½	8	4.9	Bell Telephone	1198	162	163	161½	163
11½	8½	50+12½c	7	Biltmore Hats	100	9	9	9	9
5	3	*	...	Blue Ribbon	....	(— bid 4 asked)			
35	29	2	6.3	Do. pref.	45	30	32½	30	31
25	21	1.30	5.4	Brant. Cord. pf.	....	(— bid 24½ asked)			
14½	7½	*	...	Brazilian Tr.	30930	13½	14½	12½	12½
7½	4½	50+50c	..	Brew. & Distil.	141	5½	5½	5½	5½
6	5½	30c	...	Bright, T. G.	....	(— bid 11 asked)			
80	80	6	7.5	Do. pref.	....	(77 bid — asked)			
21½	16½	1	4.6	Brit. Amer. Oil	4377	21½	21½	21½	21½
14	9	*	...	B.C. Packers	1540	12½	12½	12	12
34	27½	2	6.2	B. C. Power A.	900	30½	32½	31	32½
5½	2½	*	...	Do. (B)	960	5½	5½	5	5
4	2½	*	...	Bruck S. Mills	155	3½	4	3½	3½
58	37	2+50c	4.4	Building Prod.	536	52	56	55	56
14½	9½	60c	4.3	Burlington Steel	170	13	14½	13	14
3	2	25c	...	Burry Biscuit	....	(2½ bid 5 asked)			
*60	30	3	9.1	Do. pref.	....	(30 bid 45 asked)			
23½	16½	1.20	6	Burt, F. N.	50	19	20	19½	20
				C					
*105	100	*	...	Calgary Power	....	(— bid 90 asked)			
87½	83½	6	7.1	Do. pref.	....	(85½ bid — asked)			
4½	2	*	...	Canada Bread	200	4½	4½	4½	4½
92½	80	5	5.5	Do. pref.	5	88	90	90	90
46	40	2.50+12½ca		Do. pref. B.	3	45½	46	46	46
9	5½	40c	6.7	Canada Bud	295	6	6	5½	5½
13	7	*	...	Canada Cement	2796	12	12½	10½	10½
110	84½	5+2a	5.1	Do. pref.	188	98½	99	96	96
75	59½	1.50+2	5	C. & D. Sugar	225	71½	75	71½	75
b20½	12½	*	...	Canada Dry	38400	18½	20½	17½	19½
17	9	1.25	...	Can. Forg. (A)	150	10	13	12	13
10	7½		...	Do. (B)	....	(8 bid — asked)			
30	30		...	Can. Iron	....	(30 Apr. 7)			
70	70	3.50	...	Do. pref.	....	(56½ bid — asked)			
36½	28	1.50+50	6	Can. Malting	375	33½	33½	33	33
20	17½	1.20	6.1	Can. Nor. Pr.	25	19½	19½	19½	19½
110	103	7	6.6	Do. pref.	20	104	106½	106	106
72	58	3	4.4	Can. Packers	40	68	68	68	68
*7	1½		...	Can. Paving, pf.	....	(— bid 6 asked)			
150	128	8	6.2	Can. Perman.	31	132	132	130	130
7	6	50c	...	Can. Starch	100	6½	7	7	7
107	105	7	6.7	Do. pref.	....	(105 bid — asked)			
4½	1½	*	...	Can. Steamsh's.	1065	3½	4½	3½	4
16½	6½	50ce	..	Do. pref.	1967	14½	15½	14	15½
17½	13	1.20	7.5	Can. Vinegars	90	16	16½	16	16
67	50	*	...	Can. W. Cable	185	53	55	52	55
22	15		...	Do. (B)	180	18	19	17	18
97	97	6.50+10a	...	Do. pref.	....	(85½ bid — asked)			
3	3	*	...	Can. Bakeries	....	(3 Mar. 9)			
26	25	*	...	Do. pref.	....	(25 bid 30 asked)			
178	157	8	4.5	Can. Bk. Com.	205	173	177	173	177
2.50	1.10	*	...	Can. Breweries	900	2.25	2.25	2.00	2.00
22	14	2	9.4	Do. pref.	570	21	21½	20	21½
40	28½	1.50+50c	...	Can. Bronze	495	40	38	37	38
106	103½	5	4.7	Do. pref.	....	(105½ June 3)			
5½	4		...	Can. Canners	195	5	5	5	5
18½	15½	1	5.4	Do. 1st pfd.	35	18½	18½	18½	18½
9	6½	60c	7.3	Do. 2nd pfd.	164	8	8½	8	8½
13½	7½	*	...	Can. Car & F'd	5243	13½	13½	12½	13
28½	18½	1.75	6.3	Do. pref.	1030	28	28½	27	27
20	9	*	...	Can. Celanese	925	13	13	11½	12
107	94	7	7.4	Do. pref.	35	96	95	94	94
20	15	1	...	Do. Rights	100	17	17	17	17
10½	6	*	...	Can. Convert.	30	10	10	10	10
78	63	4	5.9	Can. Cottons	....	(66 bid 71 asked)			
108	100	6	5.7	Do. pref.	....	(— bid 107 asked)			
35	22	2	7.7	Can. Dredge	262	26	28	25	25
102	100	6	6	Can. Fairb. pf.	4	100½	100	100	100
19	10	1.60	8.5	Can. For. Inv.	50	19	19	18½	18½
105	100	8	8	Do. pref.	....	(— bid 103 asked)			
194	175	6	3.1	Can. Gen. Elec.	1	175	194	194	194
8½	7½	50c	6.1	Can. G. Inv.	845	8½	8½	8	8½
4½	2½		...	Can. Ind. Alc.	1580	3½	3½	3	3
4	1½		...	Do. (B)	440	3½	3½	3	3
202	178	3.25	...	Can. Indust. B.	....	(205 bid — asked)			
161	155	7	4.3	Do. pref.	....	(163 bid — asked)			
1	1		...	Can. Int. I. Tr.	....	(½ bid 1 asked)			
*90	70	5	...	Do. pref.	....	(— bid 63 asked)			
15½	13	1	7.5	Can. Lt. & Pr.	....	(12 bid 20 asked)			
10½	5½	*	...	Can. Locomo.	8	7½	10	8½	8½
1.55	.90		...	Can. Marconi	2911	1.50	1.50	1.40	1.45
16	10	50c	4.2	Can. Oil	100	13	12	12	12
120½	110	8	6.6	Do. pref.	21	120	120½	120	120
8½	5		...	Can. Pacific	34102	7½	7½	6½	6½
2.50	.50	*	...	C. Pr. & Pa. In.	100	2.00	2.00	2.00	2.00
10	5	*	...	Do. pref.	5	10	10	10	10
10	3	*	...	Can. Vickers	295	8½	8½	7½	8
36	15		...	Do. pref.	....	(26 bid 33 asked)			
10	8	1	...	C. Wallpaper A.	....	(— bid 20 asked)			
12	12	1	...	Do. (B)	....	(12 bid 20 asked)			
51½	50	2	4	Can. West'ho'se	500	51½	50½	50	50½
3.37	1.95	15c	...	Can. Wineries	610	3.00	3.00	2.87	3.00
21	17	1.50	8.1	Can. Wire Box	30	17	18½	18½	18½
3.15	1.75		...	Capital Estates	330	1.85	1.90	1.75	1.90
104½	98½	5	4.9	Carnation, pfd.	....	(101½ bid 104½ asked)			
6½	3	25c	...	Catelli Food	25	3½	4	4	4
10	7	75c	...	Do. pref.	5	8½	9	9	9
2	1½		...	Celtic Knit.	....	(1½ May 23)			
170	170	8	4.7	Cent. Can. L'n.	....	(— bid 185 asked)			
100	99	4	4	Chartered Trust	....	(90 bid — asked)			
.60	.25	*	...	Chem. Research	1975	.50	.60	.50	.50
.70	.25	*	...	City Gas & El.	900	.40	.40	.40	.40
.35	.15		...	Claude Neon	200	.15	.20	.15	.20
1.30	1.17	12c	10	Coast Brew.	3650	1.22	1.24	1.20	1.20
12½	6½	*	...	Cockshutt Plow	4325	11½	12½	11	11½
1.60	.90		...	Comm. Alcohol	600	1.50	1.50	1.25	1.50
4½	4	40c	10	Do. pref.	10	4½	4	4	4
5	4½	10c	...	Conduits Nat.	....	(4½ bid 5 asked)			
16	11½	1	6.4	Cons. Bakeries	300	15½	16	15½	15½
8½	3½	*	...	Cons. Paper	32627	8½	8½	7½	7½
15	10	1	8.5	Cons. Press	....	(10 bid 11½ asked)			
75	70	7	9.3	Cons. Sand, pf.	....	(80 bid 90 asked)			
64½	46½	50c+50c		Cons. Smelters	7617	61	62	58½	59
199½	176	10	5.6	Consumers' Gas	93	177	180	179	180
82	68	7	9.3	Corr. P. Box, p.	....	(— bid 74 asked)			
24	16	1+25c	5.9	Cosmos Imp.	15	20	21	21	21
105	101½	5	4.8	Do. pref.	....	(102½ bid — asked)			
20	16½	1	5.3	Crown Cork	170	18	19	19	19
2½	1½	*	...	Crown Dom. Oil	....	(1½ bid 2½ asked)			
39	29	4.50	...	Crow's N. Coal.	74	32	32½	31	32
				D					
5½	3	25c	...	David & Fre. A	100	4	4½	4	4½
*.50	.50	*	...	Do. (B)	....	(— bid 1.00 asked)			
14½	5	*	...	De Havilland	....	(12 bid 14 asked)			
66	65	*	...	Do. pref.	....	(— bid 70 asked)			
*10	2½		...	Disher Steel	....	(2½ bid 4½ asked)			
*18½	15½	50c	...	Do. pref.	....	(8 bid 16½ asked)			
16	11	1	...	Distill-Seagram	2750	15½	15½	14½	15
75	66½	5	7.2	Do. pref.	....	(69 bid 72 asked)			
..		*	...	Dom. Ang. Inv.	....	(— bid 90 asked)			
*95	95	5	..	Do. pref.	....	(70 bid — asked)			
206	189	10	4.9	Dom. Bank	35	202	205	200	205
33	21	1.20	3.7	Dom. Bridge	545	32½	32½	31½	31½
20	16	1.50	8.3	Dom. Coal, pf.	291	18½	18½	18	18
39½	21	50c	...	Dom. Engineer.	25	33	32	32	32
44	29	90c	...	Dom. Foundries	458	43½	43½	42½	42½
102	98	6	5.9	Do. pref.	....	(99 bid — asked)			
110	96½	5	5	Dom. Glass	10	100	100	99	99
150	144	7	4.7	Do. pref.	10	150	150	150	150
*43½	33½	*	...	Dom. Oilcloth	....	(— bid 34 asked)			
2	1		...	Dom. Scot. Inv.	....	(— bid 1 asked)			
33	29	1.50	...	Do. pref.	....	(— bid 31½ asked)			
16½	9	*	...	Dom. St. & C.B.	30096	16½	16½	14½	14½
8½	4½	*	...	Dom. Stores	1060	5½	6½	6	6
10	4½		...	Dom. Tar & Ch.	2340	8½	8½	8	8½
85	71	5.50	6.6	Do. pref.	21	80	83	78	78
70	58	5	7.7	Dom. Textile	90	70	65	65	65
150	143½	7	4.9	Do. pref.	....	(— bid 145 asked)			
8½	3½	*	...	Donnacona P.A.	2934	8½	8½	7½	7½
7½	3	*	...	Do. (B)	685	7½	7½	6½	6½
8½	4	*	...	Dryden Paper	815	8½	8½	8	8
				E					
1½	1	*	...	East. Koot. Pr.	....	(1 bid 1½ asked)			
12	8½	*	...	Do. pref.	48	8½	12	10	12
1.35	.55	*	...	East. Dairies	....	(.90 bid 1.25 asked)			
7½	3½	*	...	Do. pref.	193	6	7	6	7
17	12	1	8.3	East. Steel	....	(14½ bid 15 asked)			
105	99	7	7	Do. pref.	....	(102 bid — asked)			
54	54	7	12.9	East. Theat., pf.	....	(80 bid 84 asked)			
5	2½		...	Easy Washing	130	3½	3½	3½	3½
38	28	1.37½	...	Economic Inv.	....	(26½ bid 30 asked)			
15	11½	1.60+60c	.	Electrolux	255	14	14½	13½	14½
3	1½		...	Enam. & Heat.	....	(2½ bid 3 asked)			
25	24	2.50	8.6	English Electric	....	(27½ bid 30 asked)			
14	5		...	Do. (B)	205	8½	8	8	8
8	5½		...	Equitable Life	11	7	6½	6	6
8	6	60c	...	European El. A.	....	(8 bid 8½ asked)			
.10	.01	*	...	Do. Warrants	....	(.01 bid — asked)			
				F					
6½	3		...	Fairchild Air.	6915	6	6½	6	6½
24½	20	60c	2.5	Fam. Players	....	(— bid 24 asked)			
24½	20	60c	2.5	Do. Vot. Tr.	....	(— bid 23 asked)			
22	16	1+75c	9.3	Fanny Farmer	2971	18½	19	18½	18½
8½	5½	*	...	Fleet Aircraft	695	7½	6½	5½	6
5	3	*	...	Fleury Bissell	....	(3 bid — asked)			
43	30	2.50	..	Do. pref.	....	(32 bid — asked)			
19½	14½	1	5.1	Ford Motor A.	3593	19½	19½	19	19
.50	.40	*	...	For. Pr. Secs.	....	(.50 bid — asked)			
15½	8½	50c	...	Foundation Co.	430	14½	14½	14	14
19½	9	*	...	Fraser Cos.	801	19½	19½	18½	19
21½	10	*	...	Do. Vot. Tr.	6075	19½	21½	18½	19
40	37	*	...	Freiman, pf.	....	(37 bid — asked)			
				G					
12½	6½	*	...	Gatineau Pwr.	1875	10½	11	10½	11
86½	83	5	5.9	Do. pref.	175	83½	84	83	83½
4½	3	*	...	Do. Rights	40	4½	4½	4½	4½
8½	5	*	...	Gen. St. Wares.	3881	8½	8½	7½	7½
71	45	..	...	Do. pref.	57	70	71	70	71
72½	52	2.50	4.2	Goodyear Tire	319	59	60	59	60
59	51	2.50	4.5	Do. pref.	276	59	59	52½	54
13	4½	*	...	Gt. Lakes Pap.	853	13	12½	8	10
33	16	*	...	Do. pref.	489	29	28½	25	27
2½	1½	*	...	Gt. W. Saddlery	....	(2 bid 3 asked)			
25	20	75c	...	Do. pref.	....	(— bid 25 asked)			
12	10	60c	5.2	Greening Wire.	....	(11 bid 11½ asked)			
10	10	1	...	Growers' Wine.	....	(13 bid 13½ asked)			
8½	5	30c	...	Gurd, Chas.	....	(7½ bid 8 asked)			
104	102	7	6.9	Do. pref.	....	(106 bid — asked)			
8½	4	*	...	Gypsum, Lime	3060	8	8½	7½	7½
				H					
8½	5	*	...	Ham. Bridge	225	7½	8	7½	7½
53	32	*	...	Do. pref.	....	(30 bid — asked)			
34	27	2+50ca	6	Ham. Cot., pf.	....	(— bid 32 asked)			
1½	1		...	Ham. U. Theat.	....	(½ bid 1 asked)			
55	50	6	11.1	Do. pref.	....	(46 bid 50 asked)			
3½	2½	20c	...	Harding Carpet.	210	3	3½	3	3
*5	2½	*	...	Hillcrest Coll.	....	(— bid 4 asked)			
*25	12	*	...	Do. pref.	....	(— bid 25 asked)			
17½	13½	1	6.4	Hinde & Dauch	110	15½	15½	15½	15½
20	20	*	...	Holt Renfrew	....	(14 bid — asked)			
*76	56	*	...	Do. pref.	....	(— bid 55 asked)			
.60	.40	*	...	Honey Dew	....	(— bid 40 asked)			
14	8	*	...	Do. pref.	10	8	8	8	8
18	10	*	...	H. Smith Pap.	686	18	17½	16½	16½
98	90	6	6.3	Do. pref.	35	95	95	94½	95
25	12	2	11.8	Humberstone S.	20	16	17	15	17
12	7½	*	...	Hunts (A)	....	(6 bid 10 asked)			
10	8½		...	Do. (B)	....	(6 bid 12½ asked)			
69½	57	4	5.9	Huron & E. Mt.	....	(69½ bid 72 asked)			
8½	6½	80c	...	Do. 20% pd.	....	(8 bid 9½ asked)			
3½	3½	*	...	Hydro Elec. Sec	....	(4½ bid 6 asked)			
				I					
214	190	10	4.9	Imperial Bank.	17	203	203	200	200
19½	15	50+75c	7.2	Imperial Oil	8199	17½	17½	17½	17½
15½	13½	40+22½c	.	Imperial Tob.	4915	15	15½	15	15½
8	6½	6%	...	Do. pref.	....	(5½ bid 7½ asked)			
29½	23	2	7.3	Indust. Accept.	350	27	27½	26½	27
23	20	1.25	...	InterCity Bak.	20	20	23	23	23
40	40	6+2	...	Inter'c Coal	....	(42 bid 50 asked)			
125	125	8	6.4	Do. pref.	....	(125 Apr. 8)			
22½	22½	1.50	6.6	Inter. Bronze	....	(— bid 21½ asked)			
27	23½	1.50	6.2	Do. pref.	....	(— bid 25 asked)			
.20	.20	2c	...	Int. Coal & C.	....	(.20 bid — asked)			
b7½	3½	*	...	Int. Hyd. E. A.	7500	7	7½	6½	6½
9½	4½	*	...	Int. Metal Ind.	260	7½	8	7½	8
77	60	6	7.9	Do. pref.	30	75	77	76	77
70	70	6	8.6	Do. pref. "A"	....	(70 bid 72 asked)			
102½	98½	5	5	Int. Mill., pf.	100	100	100⅜	100⅜	100⅜
52½	37	2+25c	4.6	Int. Nickel	30414	51½	51½	48½	49
4½	1½		...	Int. Paints	100	4½	4½	4½	4½
15	11	1+25ca	..	Do. pref.	....	(13 bid 15 asked)			
b11½	4½	*	...	Int. Pap. & P.	80000	9½	11½	9½	10
b45½	18½	*	...	Do. pref.	72100	41½	45½	39½	41½
31½	23	1.50+1	10	Int. Pete.	7228	25½	26	25	25½
4½	2		...	Int. Power	10	3½	4	3	4
84	71	6	7.6	Do. pref.	55	80	80	79	79
10½	10½	1.12	...	Int. St. Rlty. A.	....	(11½ bid 14 asked)			
3½	3½	*	...	Do. (B)	....	(3½ bid 4 asked)			
8½	5	*	...	Int. Util. (A)	100	7	8½	8½	8½
1.00	.50	*	...	Do. (B)	1300	.95	1.00	.80	.85
				J, K, L					
35	32	1.75	5.3	Jam. Pub. Ser.	....	(33 bid — asked)			
130	125	7	5.5	Do. pref.	....	(— bid 128 asked)			
15	10	1	...	Kelvinator	....	(10½ bid — asked)			
34	13	*	...	L. St. John Pr.	129	34	34	30	30
13	2	*	...	Lake Sulphite	625	3½	3½	3½	3½
16½	10½		...	Lake of Woods	915	16	16	14½	14½
120	100	7	7	Do. pref.	25	100	100	100	100
65	55	5	7.7	Landed Bank	....	(60 bid 70 asked)			
13	9	70c	6.4	Lang, J. A.	210	9	11	10½	11
3	2½		...	Langley's	....	(— bid 4 asked)			
*65	30	2.50a	...	Do. pref.	....	(— bid 30 asked)			
65	56	3	5	Laura Secord	35	59	60	59	60
9½	7	*	...	Legare, pref.	....	(7½ bid 8½ asked)			
5	3	*	...	Lindsay, C. W.	40	4	4	4	4
*78	60	4a	...	Do. pref.	....	(— bid 70 asked)			
24	19½	1+12½c	5	Loblaw (A)	660	23	23½	22½	23½
21½	18	1+12½c	5.4	Do. (B)	921	20½	21½	20½	21
				M					
1.00	.40	*	...	Mackenzie Air.	225	.70	.70	.55	.70
*9	8	*	...	MacKin. Steel	....	(— bid 8 asked)			
70	70	1.75a	...	Do. pref.	10	..	70	70	70
17	7	*	...	Maclaren Pr. p.	625	15	15	13½	13½
3½	2½	*	...	M. L. Gardens	....	(3½ bid 5 asked)			
7	4	*	...	Do. pref.	....	(6½ bid 7 asked)			
3½	1½	*	...	Maple Leaf	790	3½	3½	3½	3½
6	3	*	...	Do. pref.	17	5	4	4	4
*17	15½	70c	...	Maritime Tele.	....	(15½ bid — asked)			
*16½	16	70c	...	Do. pref.	....	(— bid 17½ asked)			
15	15	*	...	Marcus Loew's	....	(14½ bid — asked)			
*125	115	1.75a	...	Do. pref.	....	(115 Oct. 28)			
9½	4½	*	...	Massey-Harris	16584	9½	9½	8½	8½
53	28		...	Do. pref.	2863	50½	53	49½	52
14	10	40c	3.7	McColl Fron.	930	10½	10½	10½	10½
99	83	6	6.3	Do. pref	255	96	96	95	95
2½	1½		...	Melchers	....	(1½ bid 2 asked)			
6½	5½	60+20c	..	Do. pref.	158	5½	6	5½	5½
2½	2½	*	...	Mercury Mills	....	(2½ May 17)			
19½	10		...	Do. pref.	....	(— bid 11 asked)			
50	50	2	4	Mitchell, J. S.	....	(50 bid — asked)			
109	109	7	6.4	Do. pref.	....	(112 bid — asked)			
15½	7½	*	...	Mitchell, Robt.	755	13½	14½	13½	14
*5½	4	*	...	Monarch Knit.	....	(— bid 3½ asked)			
*86	50½		...	Do. pref.	....	(— bid 37 asked)			
35	35	2	5.7	Montreal Cot.	....	(— bid 50 asked)			
106	95	7	7.2	Do. pref.	15	96	97	96	97
1.00	.70		...	Mont. Is. Pr.	....	1.00 bid 2.25 asked			
31	27	1.50	5.1	Mont. L. & Pr.	4239	29½	29½	29	29
29	28	2	7.2	Montreal Loan	....	(27 bid — asked)			
1.50	1.50		...	Mtl. Refrig & S	....	(1.50 June 13)			
14	13½	2.25	...	Do. pref.	....	(13½ bid — asked)			
62	55½	3.20	5.5	Montreal Tele.	27	59	58	58	58
90	79½	9	11	Montreal Trams	34	82	82½	81½	81½
35½	25	1.60+40c	.	Moore Corp.	170	34	34	33½	34
159½	135	7	4.8	Do. pref. (A)	2	155	146	146	146
205	179½	7	3.9	Do. pref. (B)	....	(195 bid — asked)			
.35	.20	*	...	Muirheads	....	(— bid .50 asked)			
4	4	*	...	Do. pref.	....	(4 Feb. 22)			
				N					
41½	34	2	4.9	Nat. Breweries	2160	39½	41	39½	41
43	38	1.75	4.1	Do. pref.	35	43	43	43	43
7½	4½		...	Nat. Grocers	90	6	6½	5½	6
126½	115	7+3.50a	6	Do. pref.	....	(— bid 117 asked)			
20	12		...	N. Sew. Pipe A.	....	(12½ bid 14½ asked)			
47	31	1.50	...	Nat. Steel Car	1260	46½	47	45	45
210	190	8	4	National Tr.	4	200½	190	190	190
31½	24	2	7.2	Niag. W. Weav.	10	26	28	28	28
1.50	1.00		...	North Star Oil	....	1.25 bid 2.00 asked			
3½	3½	35+8½ca	...	Do. pref.	25	3½	3½	3½	3½
*97½	96	6	..	N. S. L. & Pr.	....	(96 bid — asked)			
105½	104	6	5.8	Do. pref.	....	(105½ bid — asked)			
14	9	*	...	N. S. Steel, pf.	....	(— bid 15 asked)			
				O					
31	23	1	3.3	Ogilvie Flour	1650	30	30½	30	30
158	145	7	4.5	Do. pref.	....	(148 bid 155 asked)			
107	103½	5	4.8	Ontario Loan	....	(106 bid — asked)			
*7½	4½		...	Ont. Silknit	....	(— bid 5½ asked)			
*71	64		...	Do. pref.	....	(— bid 19 asked)			
9	5		...	Ont. Steel	....	(— bid 10 asked)			
114	97	7	7.1	Do. pref.	....	(90 bid — asked)			
2.00	1.00		...	Orange Crush	75	1.50	2.00	1.95	2.00
6	4	70c	15.5	Do. pref.	45	5	5	4½	4½
34	24	2	...	Ottawa Car	....	(29 bid 32 asked)			
36	24	2	...	Ottawa El. Rly.	....	(— bid 23 asked)			
87	79	6	7.4	Ott. L. H. & Pr.	20	82	83	81	83
101½	97	5	5	Do. pref.	10	99	100	100	100
				P, Q, R					
20	10	*	...	Pacific Coyle	....	(15 bid — asked)			
96	77½	4+25c	4.7	Page Hersey	245	88	90½	88	90
7½	4	*	...	Pantepec Oil	2150	5	6½	6½	6½
18	15		...	Paton Mfg.	....	(— bid 17½ asked)			
100	100	7	7	Do. pref.	....	(— bid 110 asked)			
55	47	3	6.1	Penmans	10	47	49	49	49
125	125	6	4.8	Do. pref.	....	(— bid 123 asked)			
19	16	1	6.2	Photo Eng.	....	(16 bid 17 asked)			
99½	95½	7	7.2	Porto Rico Pr. p	....	(96½ bid 99½ asked)			
15	9½	†30c	...	Power Corp.	400	14½	14½	13½	13½
100½	92	6	6.2	Do. pref.	92	100	97	96	96
44	44	3	6.8	Do. 2nd pfd.	....	(42 bid 45 asked)			
19	10	*	...	Pressed Metals	178	15	15	15	15
19½	8½	*	...	Price Bros.	7700	19½	19½	17½	17½
51½	34	*	...	Do. pref.	347	48	51	50	51
7½	6½	*	...	Prov. Transport	20	7½	7½	6½	7½
18	14	1	6.2	Quebec Power	235	16	17	15½	16
4½	3½	*	...	Que. Telephone	....	(4 bid — asked)			
40	40	2	5	Real Estate L'n.	....	(36 bid 40 asked)			
9½	4		...	Regent Knit.	225	4	6	5½	6
25	23	1.60	7	Do. pref.	....	(20 bid 23 asked)			
2½	2	30c	...	Reinhardt Brew.	....	(— bid 2½ asked)			
6½	3		...	Reliance Grain	....	(6 bid 7 asked)			
12½	10½	70c+*1%		Remington R'd	....	(8 bid — asked)			
25	21	2	8.3	River S. Mills	....	(24 bid 29 asked)			
4	3		...	Rogers Majest.	325	3½	3½	3½	3½
16	14½	1	6.2	Rolland Pap.	....	(16 June 25)			
18	12	*	...	Do. Vot. Trust	....	(— bid 17 asked)			
102½	95	6	6.3	Do. pref.	....	(— bid 99 asked)			
191½	170	8	4.3	Royal Bank	189	186	190	185	188
70	63	3	...	Russell Indust.	....	(60 bid — asked)			
110	103	7	6.8	Do. pref.	3	105	103	103	103
				S					
101	93	5.50	5.5	Saguenay Pr. p.	87	100	101	100	100
11	6½		...	Sarnia Br (A)	....	(6 bid — asked)			
8	4		...	Do. (B)	....	(3 bid — asked)			
23	17½	80+5c	3.7	Shawinigan Pr.	5126	21½	23	20½	22½
17	10		...	Sher. Wms.	40	17	16	15	15
120	102	7	6.5	Do. pref.	11	108	108	107	108
1½	1		...	Silverwoods	....	(1 bid 1½ asked)			
3½	1½	20ce	...	Do. pref.	100	3	3	3	3
10½	7½	80c	...	Simon & Son	125	9	10	9½	10
110	110	7	6.4	Do. pref.	....	(110 bid — asked)			
18	8½	*	...	Simpson, A.	....	(10 bid 12 asked)			
8½	2½		...	Do. (B)	....	(5½ bid 7½ asked)			
95	70	5+1a	6	Do. pref.	120	82	84½	83	84½
115	105	6	5.2	Simpson, R., pf.	52	105	115	112	115
15	11½	80c	5.9	So. Can. Pr.	40	14½	13½	13½	13½
106	103	6	5.7	Do. pref.	24	104½	105	104½	105
6½	2½	*	...	St. Law. Corp.	1470	6	6½	5½	5½
18	8½		...	Do. (A)	1750	17½	18	16	16
20	17	1	5.7	St. Law. Flour	....	(16 bid 17½ asked)			
*145	135	7	5.2	Do. pref	....	(— bid 140 asked)			
50½	24	*	...	St. Law. Pap. p	1320	49	50½	46	47
7	3½	*	...	Stand. Chem.	....	(5½ bid 8 asked)			
*14½	8	*	...	Stand Clay	....	(2½ bid — asked)			
4½	2	*	...	St. Pav. & Mat.	150	3½	4	3½	3½
25	12	..	..	Do. pref.	45	22	25	22	25
42	40	3+75ca	7	Stand. Steel, pf.	....	(— bid 45 asked)			
17½	16	60+20c	5	Stedman Bros.	215	16	17	17	17
70	56	1.75‡	2.5	Steel of Can.	1323	61½	70	67½	69
67	63	1.75	2.6	Do. pref.	475	63	67	64	67
5	4		...	Sterling Coal	....	(4 bid 5 asked)			
.75	.25		...	Stop & Shop	....	(— bid .40 asked)			
*17	13	80c	...	Stuart, D. A. pf	....	(10 bid 13 asked)			
2½	1½		...	Supersilk H. A.	134	2½	3½	2½	3½
3½	2		...	Do. (B)	....	(— bid 4 asked)			
79½	73	5	6.6	Do. pref.	....	(— bid 75½ asked)			
37	31	1.50	4.2	Sup. Pete. ord.	145	37	36	36	36
33	30	1+50c	4.5	Do. com.	....	(33 June 24)			
				T					
16	12½	80c	6	Tamblyn	5	13½	13½	13½	13½
52½	52	2.50	4.8	Do. pref.	....	(52 bid — asked)			
3	2		...	Thayers	....	(2 bid 5 asked)			
27	20	3.50	...	Do. pref.	....	(23½ bid 30 asked)			
.50	.25		...	Thrift Stores	....	(— bid .50 asked)			
2	2		...	Do. pref.	....	(— bid 3 asked)			
13½	10	60+10c	5.8	Tip T. Tailors	....	(10 bid 12 asked)			
108	100	7	6.9	Do. pref.	19	101	102	102	102
3	2		...	Tooke Bros.	5	3	3	3	3
15	9		...	Do. pref.	55	9	10	10	10
18½	12	2	...	Tor. Elevators	215	18	18½	16½	17
48	40	2.62½	6	Do. pref.	....	(42 bid 44 asked)			
85	73	4	5.3	Tor. Gen. Tr.	....	(75 bid 79 asked)			
122	108½	6	5.5	Toronto Mtge.	20	108½	108½	108½	108½
158	140	7	4.6	Tuckett Tob. p.	30	153½	153½	153½	153½
4½	3		...	Twin City	....	(— bid 10 asked)			
				U, V					
15½	11	80c	5.7	Union Gas	2250	13½	14	13½	14
17½	15	30c	...	Un. Amuse. A.	....	(— bid 21 asked)			
13	13	30c	...	Do. (B)	....	(— bid 15 asked)			
1.15	1.00	5c	...	United Distill.	....	(.85 bid .95 asked)			
43	30	1a	..	United Fuel, pf.	170	37	43	36½	43
18½	8		...	United Secs.	....	(9 bid 12½ asked)			
6½	3		...	United Steel	11195	6½	6½	5½	5½
3	1½		...	Viau Bisc.	30	2½	2½	2½	2½
50	45	5	10	Do. pref.	35	45	50	50	50
				W, Y					
20	15	1+15c	6.3	Wabasso Cot.	125	16½	18	16	18
44½	30½	4	9.8	Walker-Good.	1355	40½	40½	39½	40½
19½	17	1	5.5	Do. pref.	1426	18½	18½	18½	18½
1.60	1.10	5c	...	Walkerville Br.	665	1.60	1.60	1.50	1.55
2.00	1.00		...	Waterloo Mfg.	365	1.75	2.00	1.80	1.80
125	123½	7	5.6	W. Koot. Pr. pf	....	(124 bid — asked)			
4½	3		...	West. C. Flour	50	3½	3	3	3
34½	28		...	Do. pref.	70	30	34½	33	33
65	50½	3	5.9	West. Grocers	....	(49½ bid 60 asked)			
112	107	7	6.4	Do. pref.	....	(106½ bid — asked)			
12½	9	80c	7.3	Weston Ltd.	565	10½	11	10½	10½
84½	70	5	6.4	Do. pref.	20	78	84½	84½	84½
4	4		...	Windsor Hotel	....	(— bid 2 asked)			
8	7		...	Do. pref.	....	(7 bid 10 asked)			
3½	1½		...	Winnipeg El. A.	560	2½	3	2½	2½
3	1		...	Do. (B)	535	2½	2½	2½	2½
17	7		...	Do. pref.	16	14	14	14	14
93	65	1.75a	...	Wood, A. & J. p	12	66	66	66	66
45	40	*	...	Woods Mfg., pf.	....	(45 bid 70 asked)			
4½	3½	*	...	York Knitting	41	4	4	3½	4

* 1937.
▲ On account of arrears.
‡ Plus extra of $2 paid Feb. 1, 1938.
° Stock bonus.
• Initial
b New York quotations.
† Interim.

Mining Stocks

Par Val.	Range 1938 High	Low	Company	Sales	Close July 4 (or last)	High for week	Low for week	Close July 11
			A					
1	.04½	.01	Afton	11,200	.02	.03½	.02½	.03½
No	.70	.35	Aldermac	157,165	.53	.63	.54	.56
1	.03½	.01	Alexandria	2,000	.01	.01½	.01½	.01½
1	.33	.16½	Amm. Gold	118,100	.24½	.29	.23½	.25
No	4.15	2.75	Anglo-Huronian	1,709	3.15	3.25	3.00	3.00
No	.02½	.01	Arno	1,000	.02	.02	.02	.02
1	.33	.15	Arntfield	600	.18	.17	.16	.17
1	.10	.05	Ashley	2,200	.06½	.07	.06	.07
1	.04½	.02	Astoria Rouyn	29,800	.02½	.04	.02½	.03½
1	.44	.20	Augite Porc.	75,900	.28½	.31	.28	.28
50c.	.14	.06	Astec	100	.11	.06	.06	.06
			B					
1	.27	.12	Bagamac	500	.15	.15½	.15½	.15½
1	1.03	.62	Bankfield	12,760	.68	.70	.65	.68
1	.45	.20	Base Metals	29,850	.42	.45	.35	.39
No	1.45	1.00	Beattie Gold	7,800	1.15	1.19	1.12	1.12
1	.32	.17	Beaufor	2,200	.18	.20	.18	.18½
1	.50	.20	Bidgood Kirk	14,300	.29	.27½	.24½	.26½
1	.58	.30	Big Missouri	3,550	.38	.37	.33	.36½
1	.14½	.07	Bobjo	117,100	.08½	.14½	.08½	.13
1	.13½	.06½	Bouscadillac G.M.	2,500	.08	.08½	.08	.08
No	10.25	8.00	Bralorne	1,260	9.85	9.75	9.50	9.60
1	.08	.03	Brazil Gold	500	.05	.08	.08	.08
1	.12	.02	Brett Trethewey	104,850	.03	.04½	.02½	.03½
1	.10	.03	Brownlee	2,400	.04	.06	.04	.04
1	17.50	11.00	Buffalo Ankerite	1,345	15.50	15.87	15.50	15.87
No	.06½	.02½	Buffalo Can.	176,140	.04	.05½	.03½	.03½
5	30.50	24.25	Bulolo Gold	3,220	28.50	29.00	28.25	28.25
No	.22	.10	Bunker Hill	13,500	.15	.16	.13	.13
			C					
No	1.28	.74	Can. Malartic	17,100	.92	.96	.90	.95
1	.09½	.03½	Capital Rouyn	2,500	.04½	.04	.04	.04
1	2.58	1.65	Cariboo Gold	6,400	2.50	2.58	2.50	2.55
1	.15	.05	Cartier Malartic	5,400	.05	.06½	.05	.06
1	.86	.53	Castle Trethewey	12,425	.83	.86	.80	.80
1	.62	.24	Cen. Cadillac	17,200	.30	.34	.31	.32
1	3.20	2.10	Cen. Patricia	5,825	2.55	2.55	2.48	2.50
1	.15	.08½	Cen. Porcupine	8,400	.12	.12	.10½	.10½
1	1.45	1.35	Chesterville	17,200	.....	1.45	1.35	1.41
No	.75	.35	Chromium	66,020	.58	.75	.56	.60
5	4.00	2.00	Coast Copper	625	3.00	3.25	2.90	2.90
1	.04½	.00½	Cobalt Contact	1,800	.00½	.01½	.01	.01½
5	2.25	1.25	Coniagas	140	1.45	1.68	1.68	1.68
No	1.84	1.10	Coniaurum	4,905	1.20	1.38	1.25	1.36
1	.42	.19	Con. Chibougamau	6,650	.24	.24	.22	.23½
25	64.25	46.50	Cons. Smelters	7,617	61.00	62.00	58.25	59.00
			D, E					
1	.23½	.09	Darkwater	600	.10	.11	.10	.11
1	.46	.17	Denison Nickel	21,400	.23	.24	.22	.22
No	30.50	27.50	Dome Mines	5,506	29.00	29.25	27.50	29.00
1	.07	.03	Dom. Explorers	1,500	.04½	.05	.04½	.04½
1	.26	.09	Dorval Siscoe	25,400	.13½	.15½	.13	.13
1	.07	.03	Duparquet	12,300	.05½	.07	.04	.05
1	1.95	1.05	East Malartic	104,171	1.74	1.95	1.72	1.90
1	3.25	1.96	Eldorado	11,050	2.19	2.19	2.10	2.15
			F, G					
No	6.95	4.70	Falconbridge	3,750	6.25	6.35	5.90	6.00
1	.14	.03½	Federal	10,700	.05	.05½	.04½	.05
1	.30	.18	Fernland	55,400	.21½	.23	.18	.18½
No	.53½	.27	Francoeur Gold	9,100	.35	.40	.30	.35
1	.20	.04	Fontana	4,000	.05	.05	.04	.04
1	.32	.08	Gillies Lake	75,750	.18	.18	.14	.14½
1	.05	.02	Glenora	7,000	.02	.03½	.02½	.03½
No	.68	.31	God's Lake	40,050	.46	.55	.47½	.53
1	.40½	.14	Goldale	28,150	.33	.35	.30	.32
50c.	.45	.30	Gold Belt	700	.40	.44	.44	.44
1	.40	.16	Gold Eagle	23,310	.21	.24	.19	.23
1	.12	.03½	Goodfish	7,300	.03½	.03½	.03½	.03½
1	.09½	.03	Graham Bousquet	8,200	.03½	.06	.04	.04½
1	.08½	.04	Granada Gold	3,200	.06½	.06½	.05	.05
No	.11	.05	Grandoro	7,000	.05½	.06½	.05½	.06
1	.10	.03½	Grull Wihksne	......	(.05 bid .09 asked)			
1	1.09	.61	Gunnar Gold	8,930	.75	.76	.73	.74
			H, I, J					
1	.04½	.02	Halcrow Swayze	2,000	.04	.03½	.03	.03
1	2.89	1.10	Hard Rock	78,060	2.69	2.89	2.58	2.76
1	.17	.09	Harker	15,600	.11	.12	.10½	.11
1	1.40	1.00	Hedley Mascot	1,000	1.10	1.10	1.00	1.05
5	15.25	11.00	Hollinger	3,615	14.50	14.75	14.37	14.50
1	.33	.22	Howey Gold	14,695	.28	.30	.26	.29
No	31.00	20.50	Hudson Bay	3,995	30.00	31.00	28.75	29.00
1	.49	.40	Inspiration	2,600	.40	.40	.40	.40
1	11.50	7.00	Inter. Mining	50	7.87	9.00	9.00	9.00
No	52.75	37.00	Int. Nickel	30,414	51.50	51.75	48.75	49.00
1	.40	.13	Jacola	5,916	.19	.20	.19	.19
1	.57	.31	Jack Waite	166,550	.50	.57	.50	.50
1	.82	.33	Jellicoe	51,920	.37	.43	.36	.41
1	.18	.09½	J. M. Cons. Gold	15,229	.11	.11½	.10	.10
			K, L					
1	2.30	1.25	Kerr Addison	39,552	1.71	1.85	1.66	1.82
1	1.00	.35	Kerr Lake	490	.55	1.00	.45	1.00
1	.28	.06	Kirk. Gold Rand.	1,500	.07½	.07½	.07½	.07½
1	1.50	.60	Kirk. Hud. Bay	1,750	.85	.90	.78	.80
1	1.50	.95	Kirkland Lake	10,966	1.09	1.18	1.09	1.15
1	.22	.13	Kirk. Townsite	500	.14	.14	.14	.14
1	.50	.25	Laguna	7,146	.29	.31	.29	.30
1	58.75	46.00	Lake Shore	3,386	50.00	52.00	50.00	51.75
1	.05	.02½	Lamaque Contact	13,500	.03	.03½	.02½	.03½
1	.74	.37½	Lapa Cadillac	58,000	.57	.67	.57	.61
1	1.13	.80	Lava Cap	6,035	.95	.99½	.95	.95
1	.15	.05	Lebel Oro	26,055	.07½	.08	.05½	.06
1	.02½	.01	Lee Gold	2,000	.01½	.01½	.01½	.01½
1	1.12	.60	Leitch Gold	17,450	.71	.74	.68	.73
No	6.00	3.50	Little Long Lac	5,655	3.55	3.60	3.50	3.60
			M					
1	5.55	3.50	Macassa	8,004	4.70	4.90	4.50	4.70
No	3.90	1.30	MacLeod Cockshutt	43,931	3.25	3.60	3.15	3.50
1	.40	.25	Madsen Red Lake	7,100	.40	.39	.36	.36
1	.02	.00½	Malrobic	55,000	.01	.02	.00½	.01½
No	.24	.10	Mandy	3,100	.19	.18	.15	.17
No	.04	.01½	Man. & Eastern	8,000	.01½	.03	.01½	.01½
1	.19½	.09	Maralgo	8,875	.11½	.11½	.10	.11
5	45.00	35.50	McIntyre	1,894	42.50	43.50	41.25	41.00
1	1.15	.60	McKenzie R.L.	23,250	1.12	1.15	1.00	1.11
1	.60	.35	McKinley	1,207	.60	.60	.60	.60
1	.24	.10	McVittie	9,100	.18	.18	.15	.17½
No	.80	.30	McWatters	61,050	.53	.67	.51	.65
5	.70	.30	Mentor Explor.	1,000	.30	.70	.70	.70
No	2.40	1.45	Mining Corp.	9,185	1.98	2.15	1.95	1.90
No	.04½	.02½	Minto Mines	......	(.03 bid .03½ asked)			
1	.03	.01	Moffatt Hall	......	(.01½ June 7)			
1	2.56	1.63	Moneta	59,958	1.90	2.15	1.81	2.06
1	.20	.08	Montague	500	.10	.10	.10	.10
1	.12½	.12	Morris Kirk. new	2,500	......	.12½	.12	.12
1	.03½	.01½	Murphy	10,300	.01½	.02½	.01½	.02½
			N, O					
1	.72	.13½	Naybob	238,940	.68	.72	.53	.64
No	.08	.02	Newbec	179,500	.03½	.08	.03	.07
No	.08	.02	Newbee	179,500	.03½	.08	.03	.07
1	.38	.10	New Golden Rose	1,700	.17	.20	.17	.17
5	2.15	1.65	Nipissing	625	1.75	1.85	1.76	1.80
No	69.75	48.00	Noranda	16,923	69.00	69.50	66.50	67.50
No	.37	.23	Nor. Canada	10,400	.35	.36	.33	.33
1	8.10	7.50	North Empire M.	2,855	7.75	8.10	7.75	8.10
1	.05½	.02	Norgold	9,500	.03½	.05½	.03½	.05
1	1.14	.50	Normetal	12,249	.80	.86	.78	.80
1	5.45	2.75	O'Brien	60,883	3.75	4.20	3.70	3.80
1	.55	.30	Omega	33,750	.48½	.52	.48	.50
1	1.45	.46	Oro Plata	6,200	.79	.80	.75	.80
1	.16	.05	Osisko	1,500	.11	.11	.07	.07
			P					
No	4.30	2.90	Pamour	15,625	3.45	3.80	3.35	3.45
1	.63	.20	Pandora	33,600	.24	.25	.23	.22
1	2.70	1.60	Pato Cons. G.	1,350	2.05	2.25	2.00	2.25
1	.22	.07½	Partanen Mal.	137,750	.11	.22	.11½	.20
1	.22	.05	Paulore	143,400	.09	.13	.10	.13
1	.02	.01	Pawnee Kirk.	22,642	.01½	.02	.01	.01½
1	.69	.38	Paymaster	24,750	.48	.50	.46½	.48½
1	.23	.12	Payore	32,800	.12	.14	.12½	.13
1	2.65	1.30	Pend Oreille	9,720	2.18	2.35	2.01	2.13
1	1.77	1.02	Perron Gold	59,175	1.40	1.63	1.33	1.57
1	.01½	.00½	Peterson Cobalt	500	.00½	.00½	.00½	.00½
1	5.10	3.80	Pickle Crow	14,300	4.65	4.95	4.60	4.75
1	3.50	2.80	Pioneer Gold B.C.	840	3.00	3.05	3.00	3.00
1	17.25	13.25	Placer Devel.	......	(15.00 bid 16.50 asked)			
1	2.41	1.37	Powell Rouyn	13,100	2.15	2.20	2.08	2.20
1	2.42	1.81	Premier Gold	10,025	2.15	2.27	2.15	2.15
1	1.34	.67	Preston E. Dome	43,050	.89	.94½	.87½	.93
No	.98	.50	Prospectors Air's	900	.50	.50	.50	.50
			Q, R					
1	.70	.40	Quebec Gold	......	(.42 bid .46½ asked)			
No	.12	.04	Quemont	1,000	.10	.10	.10	.10
1	4.35	2.55	Read Authier	9,075	2.75	2.80	2.55	2.60
1	.45	.07	Red Crest	15,000	.10	.15	.10	.15
1	.36½	.13	Red Lake	27,800	.14½	.14	.13	.13
1	.65	.39½	Reno Gold	20,200	.48	.48	.42	.43
1	.55	.25	Reeves MacD.	......	(.40 bid .... asked)			
1	.07	.03½	Reward	7,200	.03½	.04	.03½	.04
1	.08	.01½	Ritchie	36,500	.01½	.02½	.01½	.02
1	.02½	.01	Robb Montbray	6,500	.01	.01½	.01½	.01½
1	.24	.09	Roche Long Lac	14,900	.09½	.13	.09½	.11½
			S					
1	1.55	1.11	San Antonio	3,725	1.27	1.30	1.25	1.28
1	.34	.09½	Shawkey	53,900	.10½	.13	.10	.11
50c.	1.21	.90	Sheep Creek	1,700	1.00	1.00	.96	.96
1	1.80	.90	Sherritt Gordon	94,873	1.43	1.50	1.30	1.33
1	3.40	2.00	Siscoe	16,660	2.28	2.35	2.25	2.27
1	1.39	.86	Sladen Malartic	89,470	1.12	1.30	1.07	1.20
1	.24	.07	Slave Lake	67,460	.16½	.17½	.15	.15
No	.78	.38	Stadacona	344,401	.61	.64	.52	.55
1	.20	.09	St. Anthony	11,755	.12	.12½	.11	.11
No	.15½	.06	Straw Lake	67,140	.09	.11	.09½	.09½
No	3.80	2.00	Sudbury Basin	5,220	3.00	3.25	2.90	2.90
1	.19	.10	Sudbury Contact	17,000	.14	.15½	.14	.15
1	1.25	.80	Sullivan Cons.	5,857	.96	.99	.90	.98
1	3.60	2.60	Sylvanite	4,995	3.30	3.40	3.25	3.35
			T, U, V, W, Y					
1	5.70	4.40	Teck Hughes	12,500	4.65	4.70	4.50	4.55
1	.25	.09½	Temiskaming	10,600	.11	.11	.10½	.10½
1	.38	.19	Thomp Cadillac	25,600	.25	.28	.24	.25
1	2.90	1.78	Toburn Gold	1,650	2.00	2.15	2.07	2.07
1	.67	.33	Towagmac	10,875	.50	.55	.47	.47
1	2.03	.90	Uchi Gold	22,725	2.02	2.08	1.92	2.02
No	7.40	4.00	Ventures	3,410	5.80	5.90	5.35	5.60
No	5.55	1.02	Waite Amulet	208,712	4.25	5.55	4.10	5.15
1	.20	.08	Wendigo	9,800	.14	.16	.15	.15½
No	.03½	.01½	White Eagle	5,500	.01½	.01½	.01½	.01½
1	.08	.02	Whitewater Mines	......	(.04 bid .07 asked)			
1	.15	.03	Wiltsey Coghlan	206,000	.11½	.15	.10½	.13
1	.43	.19	Wood Cadillac	17,300	.26½	.26	.24	.24
No	8.20	6.50	Wright-Hargreaves	8,530	7.35	7.70	7.35	7.50
No	.30	.14	Ymir Girl	5,000	.15	.16	.14	.16

Oil Quotations

Par Val.	Range 1938 High	Low	Company	Sales	Close July 4 (or last)	High for week	Low for week	Close July 11
No	.12	.07	Acme Gas & Oil	700	.09	.07½	.07½	.07½
1	.37	.16	Alta Pac. Cons.	4,100	.19	.20	.20	.20
1	.32	.13	Ajax	2,300	.20	.20	.20	.20
No	1.65	.95	Anglo Canadian	3,276	1.45	1.45	1.36	1.36
1	.15	.08	Anaconda	......	(.09 June 29)			
1	.16	.07	Br. Dominion	1,000	.08	.09½	.09½	.09½
No	.68½	.33	Brown Oil	31,000	.41	.42½	.39	.39
100	72.00	46.00	Do., pref.	......	(60.00 bid 70.00 asked)			
No	3.10	1.80	Calgary & Ed.	8,380	2.45	2.60	2.36	2.40
1	.62	.25	Calmont	2,100	.35	.36	.32	.32
No	.85	.64	Commoil	300	.67	.75	.75	.75
No	.43	.22	Common Pete	4,600	.30	.31	.27	.27
No	.70	.37	Dalhousie	4,630	.47	.50	.47	.48
No	.73	.30	Davies Pete	8,300	.37	.36	.33	.34
No	.15	.06½	East Crest	11,400	.08	.08½	.07	.08
25c	.25	.13½	Firestone Pete	1,000	.15	.16	.16	.16
No	.90	.35	Foothills	700	.75	.55	.55	.55
No	.22	.13	Foundation Pete	2,300	.17	.22	.19	.19
No	.35	.16½	Hargal	......	(.14 bid .30 asked)			
No	.20	.08	High Sarcee	1,000	.11	.11	.11	.11
No	1.47	.91	Home	13,775	1.25	1.35	1.21	1.23
1	.37	.14	Homestead O.&G.	3,600	.19	.20	.18	.19
No	.27	.13½	McD. Segur	3,000	.16	.17	.16	.17
No	.20	.06½	Mercury	1,700	.10½	.13	.12	.12½
No	.08	.04	Merland	......	(.06 bid .09 asked)			
1	.38	.22	Model	......	(.25 June 13)			
25c	.20	.12	Monarch Royalties	300	.15	.16	.16	.16
1	.20	.04	Nordon	16,300	.17	.20	.15	.15
No	.04½	.02½	Oil Selections	500	.02½	.02½	.02½	.02½
No	2.30	1.07	Okalta	10,050	1.50	1.69	1.50	1.55
No	.05½	.02	Olga Gas & Oil	2,500	.03	.02½	.02½	.02½
1	.17	.06	Pacalta	9,300	.07	.07½	.06½	.07
1	.50	.40	Petrol Oil & Gas	......	(... bid .50 asked)			
25c	.52	.30	Prairie Royalties	2,700	.35	.35	.33	.33
No	47.87	33.75	Royalite	2,323	45.00	45.75	43.00	43.00
No	.75	.25	South West Pete.	500	.50	.40	.40	.40
No	.10	.02½	South End	......	(.03½ bid .04 asked)			
1	.14	.14	Spooner	......	(.14 Mar. 9)			
25c	.25	.04	Spy Hill Royalties	2,700	.04½	.05½	.04½	.05
No	1.57	1.05	Texas Can.	2,065	1.35	1.35	1.30	1.35
No	.26	.13	United Oils	......	(.14½ bid .17½ asked)			
No	1.25	.60	Vulcan	200	1.00	1.05	1.00	1.05
No	.34	.10	West Flank	......	(.10½ bid .14 asked)			
50c	.15	.08	West Turner Pete	7,100	.10½	.11	.10	.10

Vancouver Stock Exchange

Par Val.	Range 1938 High	Low	Company	Sales	Close July 4 (or last)	High for week	Low for week	Close July 11
50c	.14	.07	Aztec	4,700	.10	.10½	.09½	.09½
1	.58	.33	Big Missouri	3,400	.37	.37	.35	.35
25c	.05½	.01½	Bluebird	......	(.01½ bid .02 asked)			
No	10.10	7.95	Bralorne	3,737	9.75	9.90	9.40	9.40
1	.04½	.01½	Bridge River Cons.	1,000	.02½	.02½	.02½	.02
1	.25	.08	B.C. Nickel	7,900	.08½	.10	.09½	.09½
1	2.20	1.50	B.C. Silver	101	1.90	1.90	1.75	1.75
1	2.60	1.68	Cariboo Gold	2,250	2.50	2.60	2.50	2.51
No	.13	.04	Dentonia	2,200	.05½	.05½	.05	.05
1	.09	.02½	Dunwell	2,500	.03½	.03	.03	.03
No	.10½	.02	Fairview Amal.	71,206	.08½	.09	.06½	.08½
1	.02½	.01	Federal Gold	500	.01½	.01	.01	.01
1	.50	.25	George Copper	......	(.25 bid .35 asked)			
50c	.03½	.02	George Enterprise	1,600	.03½	.03	.02	.03
1	.10	.03½	Golconda	27,200	.05	.10	.05	.08
50c	.46½	.29	Gold Belt	15,450	.44	.46½	.43½	.46½
50c	.03½	.01½	Gold Mountain	1,500	.01½	.02½	.02½	.02½
50c	.12	.04	Grand View	1,000	.10	.10	.10	.10
1	.11	.04	Grull Wihksne	15,000	.05½	.06½	.06½	.06½
No	.08½	.04	Haida Gold	62,250	.04	.06	.04	.04½
1	1.39	1.00	Hedley Mascot	5,050	1.05	1.08	1.04	1.07
No	.05½	.03	Hedley Sterling	......	(... bid .03 asked)			
No	.02	.01	Home Gold	2,000	.01	.01	.01	.01
1	.02½	.01½	Indian Mines	......	(.01½ bid ... asked)			
1	.28	.20	Inter'tl Coal	100	.27	.25	.25	.25
50c	1.06	.72	Island Mountain	11,700	.81	1.06	.80	1.02
50c	1.27	.91	Kootenay Belle	6,800	1.24	1.25	1.23	1.24
10c	.04½	.01½	Lucky Jim	24,500	.03	.03½	.03	.03
No	.02½	.01	Mak Siccar	......	(.01 bid ... asked)			
5c	.52	.26	Metaline Metals	......	(.65 bid ... asked)			
1	.23	.19	McGillivray Creek	......	(.20 bid ... asked)			
No	.05½	.02	Minto Mines	3,500	.03½	.03½	.03½	.03½
50c	.08	.02	Nicola	5,000	.03½	.04	.04	.04
50c	.05	.02	Noble Five	9,100	.03½	.04	.03	.03
1	2.60	1.32	Pend Oreille	1,950	.16	2.30	2.10	.10
No	.02½	.01	Pilot Gold	2,000	.01	.01	.01	.01
1	3.35	2.85	Pioneer Gold	690	2.95	3.30	2.99	2.99
50c	.04	.02½	Porter Idaho	......	(.02½ bid .03 asked)			
No	.02½	.01	Premier Border	20,000	.01½	.01½	.01	.01
1	2.83	1.83	Premier Gold	16,900	2.22	2.31	2.16	2.19
1	.14½	.02½	Quatsino Copper	15,000	.04½	.05½	.05	.05½
1	.11½	.06½	Quesnelle Quartz	13,100	.11	.11	.09½	.10½
25c	.07	.04	Red Hawk	......	(... bid .05 asked)			
50c	.25	.14	Relief Arlington	11,200	.15	.19	.14	.14½
No	.56	.25	Reeves McDonald	1,250	.45	.45	.40	.40
1	.63	.40	Reno Gold	76,000	.48	.46½	.42	.42
1	.06½	.03½	Reward Mining	1,000	.03½	.03½	.03½	.03½
1	.03½	.01½	Rufus Argenta	23,000	.02	.02	.01½	.01½
1	.03	.01	Ruth Hope	......	(.02 bid ... asked)			
1	.08	.03	Sally Mines	1,200	.04½	.04	.03½	.03½
1	.16½	.05	Salmon Gold	15,500	.16½	.16	.14	.14
50c	1.20	.92	Sheep Creek	4,850	.97	.96	.94	.94
50c	2.20	1.50	Silbak Premier	171	1.90	1.90	1.75	1.75
1	.04½	.01½	Silvercrest	1,500	.01½	.02½	.02	.02
No	.17	.12	Sunloch	......	(.12 June 6)			
1	.22	.21	Standard Silver	......	(.26½ bid ... asked)			
10	12.65	11.75	Sunshine	......	(11.75 Apr. 13)			
No	.05½	.02½	Taylor Bridge	......	(.03 bid .04 asked)			
No	.21	.07	Vidette Gold	3,000	.07	.09	.07	.08
50c	.01	.00½	Waverley Tangier	5,000	.00½	.00½	.00½	.00½
20c	.03½	.01½	Wellington	9,000	.02	.02½	.02½	.02½
50c	.10½	.02	Wesko	1,100	.02½	.02½	.02½	.02½
No	.02	.02	White Eagle	......	(.02 Mar. 16)			
1	.08½	.03½	Whitewater	18,300	.06½	.06½	.06½	.06½
No	.29	.14	Ymir Yankee Girl	......	(.13½ bid .15 asked)			

Oil Stocks

Par Val.	Range 1938 High	Low	Company	Sales	Close July 4 (or last)	High for week	Low for week	Close July 11
1	.35½	.16	Alta. Pac. Cons.	1,600	.19½	.20	.20	.20
1	.08	.00½	Amalgamated	2,000	.01½	.01½	.01½	.01½
No	1.58	1.00	Anglo C. Develop	600	1.38	1.40	1.35	1.35
1	.14	.07	Anaconda	8,100	.09	.09½	.08½	.08½
No	.08	.04	Associated Oil	......	(.04 Mar. 18)			
No	.06	.02	Baltac	......	(.03 bid ... asked)			
No	.58	.35	Brown Oil	200	.42	.41	.41	.41
1	.14	.08	Brit. Dominion	......	(.08 bid ... asked)			
No	3.15	1.89	Calgary & Ed.	8,570	2.50	2.60	2.38	2.40
1	.63	.29	Calmont	1,465	.35	.35	.34	.34
1	.43½	.25	Commonwealth	700	.31½	.31	.30	.30
1	.06½	.01	Crow's Nest	......	(.01 bid .01½ asked)			
No	.70	.40	Dalhousie	3	.40	.42	.42	.42
No	.66	.30	Davies Pete	1,000	.36	.35	.35	.35
No	.15	.07	East Crest	1,200	.07	.07	.07	.07
25c	.23	.14	Firestone	2,000	.15	.16	.15½	.16
No	.08½	.04½	Freehold	34,100	.06	.06½	.06	.06½
No	.23	.13	Foundation Pete	......	(.16 bid ... asked)			
No	.21	.15	Four Star	......	(.14 bid .17 asked)			
No	.38	.10	Hargal	500	.16	.18	.18	.18
No	.20	.10	High Sarcee	......	(.10 bid .12 asked)			
No	1.46	.90	Home Oil	1,600	1.23	1.32	1.20	1.20
No	.09	.02½	Madison	3,500	.04½	.04½	.04½	.04½
No	.10½	.05½	Marjon Oil	2,000	.06½	.07	.07	.07
No	.28½	.13	McD Segur Ex.	5,000	.16	.16	.16	.16
1	.30	.15	McLeod	232	.20	.19	.15	.15
No	.19	.07	Mercury	6,500	.11½	.13½	.11	.13½
No	.08	.06	Merland	......	(.05 bid .08 asked)			
No	.12	.08	Mill City Pete	300	.06½	.09	.07½	.07½
No	.08	.02½	Midwest Pete	......	(.08 June 10)			
1	.42	.21	Mode	200	.23	.25	.25	.25
25c	.19	.13	Monarch Royal.	......	(.13 bid .15 asked)			
1	.19	.07	Nordon	2,500	.13	.19	.17½	.17½
No	2.25	1.04	Okalta	2,750	1.50	1.58	1.48	1.57
100	36.00	29.00	Do. pref.	500	29.00	36.00	36.00	36.00
No	.17	.06	Pacalta Oil	300	.07	.08½	.06½	.06
25c	.51½	.28	Prairie Royal.	6,150	.35	.35½	.34½	.36
No	46.00	35.00	Royalite	25	45.00	45.00	44.50	44.50
No	.16	.10	Royal Canadian	27,500	.12½	.13	.12	.12
No	.65	.30	Southwest Pete	......	(.43 bid ... asked)			
1	.30	.10	Spooner	......	(.11 bid .13½ asked)			
25c	.23	.04	Spy Hill Rlty.	7,000	.05	.05½	.05	.05
No	.25	.13	United	1,100	.15	.16½	.16	.16
No	.09½	.05	Vanalta	......	(.05½ bid .07 asked)			
1	1.21	.75	Vulcan	2,011	1.00	1.05	.95	1.00
No	.34	.10½	West Flank	3,500	.10½	.10½	.10½	.10½

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

July 12, 1938

Public Utility Issues:	Int. Rate %	Due	Bid July 12	Asked July 12	Bid July 5
†Assoc. Tel. & T.	5½	'55	78	81	80
Beauharnois P.	5	'73	92½	95½	91½
‡Bell Tel.	5	'55	111½	114½	111½
‡Do.	5	'57	118½	121½	119
B. C. Power	4½	'60	99½	102½	99½
B. C. Tel.	4½	'61	105½	...	106
†Calgary Pwr.	5	'60	97½	100½	98½
Do.	5	'64	96	99	96
†Can. Nor. Pwr.	5	'53	104½	107½	104½
‡Dom. Gas & El.	6½	'45	85	88	85½
‡Gatineau Pwr.	5	'56	103½	106½	104
‡Do., A	6	'41	...	...	101½
Gt. Lakes Pwr.	4½	'56	95	98	94½
‡Int. Hydro-E.	6	'44	70	73	71½
▲Inter. Power	6	'35	100½	103½	100
†Macl'n-Que. Pr.	5½	'61	102½	105½	101½
Do.	5½	'64	101½	104½	100½
Mtl. L., H. & P.	3½	'56	101½	104½	101
Do.	3½	'73	96½	99½	96
†Mtl. Tramways	5	'41	99½	102½	99½
†Do.	5	'35	75½	78½	75½
Nat. Lt. & Pwr.	6	'49	93	96	92½
N. S. Lt. & Pr.	4	'57	98	101	98
‡Ottawa Light, Heat & Power	5	'57	105	...	106
†Ottawa V. Pwr.	5½	'70	105½	108½	105½
†Power Corp.	4½	'59	99	102	99½
Quebec Power	4	'62	96½	99½	98½
§Saguenay P., A	4½	'66	103½	106½	103½
Do., B	4½	'66	104	107	104
Shaw. W. & Pr.	4	'61	100½	103½	100
Union Gas	4½	'50	100	103	100
Wpg. El. Ser. A	4	'65	64	67	65½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	66½	69½	67
Acadia Sugar	4½	'55	101	104	101
†Alta. Pa. Grain	6	'46	83½	86½	82
Atlantic Sugar	4	'51	99	102	99
B. A. Oil	4	'45	103	106	103
†B. C. P. & Pap.	5½	'58	83	...	...
§Brown Co.	5½	'46	62	65	57
†Burns & Co.	5	'58	64	67	61½
Canada Bread	6	'41	107½	110½	107½
Canada Cement	4½	'51	103	106	102½
Can. Paper	4½	'52	98	101	98
Can. Steamship	5	'57	82½	85½	83½
Candn. Canners	4	'51	98½	101½	98½
‡Can. Int. Paper	6	'49	93	96	93
‡Candn. Vickers	6	'47	95½	98½	95
C. P. R.	3½	'51	89	92	89½
Do.	4	'49	93	96	93
Do.	4½	'44	95	98	95
Do.	6	'42	102½	105½	101½
Do., debs.	4 perp.		80	83	79½
†Consol. Paper	5½	'61	52	55	52
Dom. Coal	4½	'52	102	105	101
▲Dom. Stl. & C.	6½	'55	104½	107½	104
Dom. Tar	4½	'51	100	103	101
†Donnacona P.	4½	'56	73	76	73
Famous Players	4½	'51	97½	100½	97½
†Federal Grain	6	'49	92½	95½	92½
†Fraser Cos.	6	'50	96½	99½	95½
Gen. Stl. Wares	4½	'52	93	96	92½
‡Great Lakes P.	5	'55	89½	92½	91½
†Gypsum, Lime.	5½	'48	97	100	96
Ham. By-Pr. C.	5	'55	100	103	100
Inter-City Bak.	5½	'48	102½	105½	102½
‡Inter. P. & P. Nfld.	4½	'68	100½	103½	100½
Lake St. John P. & P.	5½	'61	91	94	92½
Maple Leaf M.	5½	'49	51	54	52
†Massey-Harris	5	'47	99	102	98½
†McColl-Front.	6	'49	104½	107½	105
McCormick's	4	'52	79	82	80
‡M. & O. Paper	6	'45	40½	43½	41
Nat. Grocers	4	'47	100	103	100
†N. S. Stl. & C.	5	'59	89	92	89
†Do., debs.	6	..	42	45	41½
Price Bros.	5	'57	93½	96½	93½
‡Prov. Paper	5½	'47	101½	104½	101
Reliance Grain	4½	'52	92½	95½	92
†Restigouche Co.	6	'48	95½	98½	95
Rolland Paper	4½	'51	102½	105½	102½
Simpsons Ltd.	4½	'51	96½	99½	96
Smith, Howard	4½	'51	102½	105½	102
†Steel of Can.	6	'40	109½	112½	108
‡United Gas	5½	'48	102	105	101
United Gr. Grs.	5	'48	94½	97½	92
†West. Grain	6	'49	48½	51½	46

‡Payable in Can. or U.S.
†Payable in Can., U.S. or U.K.
▲Payable in Can. or U.K.
§Payable in U.S. only.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

July 12, 1938

Industrial Stocks:	Bid	Asked
Acadia Sugar, pfd.	4.40	[illegible]
Algoma Steel, com.	11.75	[illegible]
Do., pfd.	62.00	[illegible]
Andian National	41.00	[illegible]
Anglo Can. Tel., A	8.35	[illegible]
Barrymore Cloth, pfd.	25.00	[illegible]
B. C. Pulp & Paper, com.	13.50	[illegible]
Do., pfd.	48.00	[illegible]
B. C. Sugar	81.50	[illegible]
Burns & Co., A	6.25	[illegible]
Do., B	2.25	[illegible]
Can. Airways	1.25	[illegible]
Can. Industries, A com.	208.00	....
Can. Ingersoll Rand	121.00	[illegible]
Can. Tube & Steel, com.	3.00	[illegible]
Do., 1st pfd.	63.00	[illegible]
Chase, A. W., pfd. bonus	26.00	[illegible]
Claude Neon, pfd.	5.00	[illegible]
Cons. Sales Book, pfd. bon.	80.00	....
Copeland Flour Units	6.00	....
Corrugated Paper Box, com.	2.00	[illegible]
Do., rts.	10.00	[illegible]
Dominion Woollens, pfd.	1.00	[illegible]
Dunlop Tire, pfd. par $25	17.50	[illegible]
Easy Washing Machine, pfd.	7.50	....
Federal Grain, com.	2.25	[illegible]
Do., pfd.	37.00	[illegible]
Goderich Elevator	6.00	[illegible]
Guelph Carpet, pfd.	104.00	[illegible]
Do., com.	19.50	[illegible]
Hayes Steel Prod., com.	5.50	[illegible]
Do., pfd.	7.00	[illegible]
Highland Dairy, pfd.	40.00	[illegible]
Home & Indust. Bldg. Prod.	3.25	[illegible]
Kingston Shipbuild. Units	9.00	[illegible]
Loblaw Inc., pfd. bonus	63.00	....
Morrison Brass, pfd. bonus	6.00	[illegible]
Morrow Screw, pfd. bonus	96.00	[illegible]
Mount Royal Hotel, pfd.	3.50	[illegible]
Neilson, Wm., pfd.	98.50	....
New Brunswick Tel., com.	12.00	[illegible]
New Meth. Laund., pf. bon.	60.00	....
Niag. Lower Arch Bridge, c.	68.50	....
Paterson, Wm., pref.	100.00	....
Provincial Paper, pfd.	101.00	[illegible]
Reliance Grain, pfd.	39.00	[illegible]
Rob. Consol. Cone	8.10	[illegible]
Ruddy, E. L., pfd.	24.00	[illegible]
Seal O Sac (Can.)	2.75	4.00
Standard Fuel, com.	2.00	3.00
Do., pfd.	50.00	54.00
Stedman Bros., pfd. par $50	53.25	55.00
Supertest Pete., B pfd.	27.50	30.00
Toronto Carpet, com.	....	32.00
Do., pfd.	54.50	60.00
United Farmers Co-op.	3.00	4.00
United Steel, A pfd.	17.00	19.00
Viceroy Mfg., pfd. & rts.	18.00	19.00
Western Grain, pfd. bonus	11.00	12.00
Western Steel Prod., com.	8.50	9.00
Weston (Geo.) Foods (Eng.)	2.50	4.00
Willards Choc., pfd.	23.00	....
Wings Limited	.50	.75
Trusts and Loan Stocks:		
British Mortgage	140.00	....
Commercial Finance, com.	2.65	3.15
Guelph & Ont. Inv., par $50	50.00	....
London & Western Trust	31.00	33.00
Premier Trust	....	110.00
Sherbrooke Trust	130.00	....
Sterling Trust	43.00	46.00
Traders Fin., A com.	13.00	14.00
Do., B pfd. bonus	82.50	84.00
Trusts & Guarantee	24.50	28.00
Insurance Stocks:		
Canada Life	538.00	545.00
Canadian Ins. Shares	15.00	17.00
Confed. Life, 25% pd.	135.00	....
Continental Life, 30% pd.	30.00	35.00
Crown Life Fully Pd.	215.00	....
Dominion Fire	136.50	....
Dom. of Can. Gen.	110.50	115.00
Empire Life, 25% pd.	10.00	11.25
Federal Fire, 25% pd.	50.00	....
Great West Life	303.00	312.50
Imperial Life	325.00	330.00
Manufacturers Life	250.00	260.00
Monarch Life, 10% pd.	23.00	25.00
Sovereign Life, 10% pd.	12.00	14.00
Sun Life	505.00	520.00
Toronto General	5.00	6.00
Western Assce., pfd.	40.00	42.50
Do., com.	46.00	50.00
Theatre Stocks:		
Allens, Kingston, pfd.	60.00	66.00
Do., London, pfd.	33.00	....
Do., St. Catharines, pfd.	62.00	....
Do., Tor., pfd. bonus com.	32.50	....
Loew's London, pfd.	3.00	3.75
Mansfield Theatre, pfd.	17.00	20.00
Paramount Kitchener, pfd.	48.50	52.00
Do., Oshawa, pfd.	88.50	90.00
United Amusement, A	15.50	16.50
Investment Trust Shares:		
Can. Investment Fund	3.85	4.25
Can. Investors Corp.	6.00	6.75
Inv. Foundation, pfd. bonus	34.00	36.50
Lon. Can. Inv., pfd.	29.00	32.00
Sec's. Holding, pfd. bonus	16.00	17.50
United Corp., A	20.00	23.50
Do., B	13.00	14.50
Power Issues:		
Can. West. Nat. Gas, com.	24.00	27.00
Do., pfd.	92.00	96.00
Great Lakes Power, pfd.	100.00	102.00
Inter. Util., $1.75 pfd.	7.50	9.00
Do., $7 pfd.	85.00	....
Montreal Island Power, pfd.	19.00	21.00
Northern Ont. Power, pfd.	97.00	101.00

Winnipeg Stocks

(Transactions from July 4 to July 9)

	Sales	High for period	Low for period	Close July 9
Central Man.	1,000	.03½	.03½	.03½
Flin Flon	6,600	.05	.04	.05
Fed. Grain, pf.	10	37.00	37.00	37.00
Forty-Four	100	.80	.80	.80
Globe Rylts.	500	.07	.07	.07
Island Lake	1,000	.01	.01	.01
Gt. Falls M.	2,600	.12	.10	.10
Gurney Gold	13,500	.15	.10½	.15
Home Invest.	31	18.00	18.00	18.00
Ore Grande	3,000	.03½	.03½	.03½
Packsack	200	.03	.03	.03
Sachigo River	75	17.00	16.50	16.75
Star Lake	4,800	.01½	.01	.01
Sunbeam Kirk.	300	.33	.32	.33
Traders Bldg.	2	81.00	81.00	81.00
United Grain	30	8.00	8.00	8.00
Western Steel	175	8.50	8.50	8.50
Wingold	3,200	.04½	.04	.04
Williamson	1,000	.07½	.07½	.07½
Wpg. R. Tin	3,500	.01	.01	.01

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	...	100
Can. Indemnity	125	...
Can. Airways	...	3½
Nor. Mtge., part pd.	2	...
Nor. Can. Mtge., p.	3	...
Northern Trust	6	...
Western Brew.	1.80	2.50

*Stocks more active on other exchanges not included.

Municipal Bonds

July 12, 1938

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	112.50	11400	4.06
Hamilton	5	1950	113.65	115.65	3.40
Montreal	5	1945	103.50	105.00	4.14
Ottawa	4½	1945	108.30	110.30	2.87
†Quebec	5	1959	104.50	106.00	4.55
Saint John	5	1950	106.50	108.00	4.17
†Toronto	4½	1955	114.00	116.00	3.24
†Vancouver	5	1950	85.00	89.00	6.37
Winnipeg	5	1944	98.00	100.00	5.00

†Payable Can. and N. Y.

Government Bonds

(Supplied by Investment Dealers' Association of Canada)

Dominion of Canada Bonds

July 12, 1938		Bid	Asked	Approx. Yld.
▪2	1 Jan. '39	100.75	101.25	...
1	1 June '39	100.15	100.55	.40
2	15 Nov. '39	101.50	102.00	.54
2½	15 Oct. '39	102.00	102.50	.55
4	15 Oct. '39	104.00	104.35	.61
1½	1 June '40	101.00	101.50	.71
4½	1 Sept. '40	107.12	107.62	.95
1	15 Mar. '41	99.75	100.25	.91
5	15 Nov. '41	111.25	111.75	1.42
2	1 June '42	102.00	102.50	1.34
3	15 Oct. '42	105.50	106.00	1.56
2½	1 June '43	103.25	103.75	1.70
5	15 Oct. '43	114.25	114.75	2.04
2	1 June '44	100.25	100.75	1.86
▪2¼	15 Jan. '44	101.50	102.25	▲1.72
4½	15 Oct. '44	112.50	113.00	2.26
2½	15 Nov. '44	102.50	103.00	2.00
▪2½	15 Aug. '45	102.75	103.50	▲1.78
4	15 Oct. '45	109.00	109.50	▲2.09
4½	1 Feb. '46	112.75	113.25	2.57
3¼	1 June '49	103.00	103.50	▲2.75
3½	15 Oct. '49	104.50	105.00	▲2.63
3¼	15 Nov. '51	102.50	103.00	▲2.92
▪5	1 May '52	112.25	113.00	▲1.50
4	15 Oct. '52	108.75	109.25	▲2.88
3	1 June '55	99.12	99.62	3.03
4½	1 Nov. '56	111.75	112.25	▲2.86
4½	1 Nov. '57	112.00	112.50	▲2.98
3	1 June '58	98.37	98.87	3.07
4½	1 Nov. '58	112.37	112.87	▲3.06
4½	1 Nov. '59	113.00	113.50	▲3.09
▪4	1 Oct. '60	109.87	110.62	▲2.97
▪3¼	15 Jan. '61	102.87	103.62	▲2.98
3¼	1 June '66	100.75	101.25	▲3.16
▪3	15 Jan. '67	98.50	99.25	3.04
‡3	Perp. bonds	89.25	89.75	3.34

Dominion Guaranteed Bonds

Canadian National Railways:

		Bid	Asked	Yld.
2	15 Jan. '42	101.50	102.50	1.27
2	15 Feb. '43	100.75	101.75	1.61
3	1 May '44	104.25	105.25	2.04
3	15 Dec. '50	99.00	100.00	3.00
3	15 Feb. '53	98.50	99.50	3.04
*4½	1 Sept. '51	115.50	116.50	3.00
*4½	1 Feb. '56	116.00	117.00	3.25
†4½	1 July '57	115.25	116.25	3.34
*4¾	1 [illegible] '55	118.00	119.00	3.28
5	1 [illegible]	119.25	120.25	3.35
*5	1 July '69	117.00	118.00	▲2.52
*5	1 Oct. '69	120.25	21.25	▲3.15
*5	1 Feb. '70	[illegible]	121.25	▲3.20

Provincial Government Bonds

		Bid	Asked	Yld.
New Brunswick:				
3	15 Oct. '51	93.00	94.50	3.51
3½	15 June '56	95.50	96.00	3.81
†4	15 Nov. '47	102.00	103.50	▲3.45
†4½	15 Apr. '61	104.00	105.25	4.14
†5	15 Jan. '60	108.50	110.00	4.29
Nova Scotia:				
3	2 Jan. '52	96.50	98.00	3.19
3¼	1 June '56	98.50	100.00	3.25
3½	15 Dec. '49	101.75	103.00	3.19
†4½	15 Sept. '52	109.75	110.75	▲3.15
†4½	15 Nov. '60	111.00	112.50	3.67
†5	1 Mar. '60	116.50	118.00	3.78
Ontario:				
2½	15 May '45	101.25	102.25	2.15
3	1 Dec. '51	99.00	100.00	3.00
3¼	15 Nov. '51	101.50	102.50	▲2.99
*4	1 June '62	109.00	110.50	3.36
4½	1 June '50	113.25	114.25	3.07
*4½	15 Jan. '62	115.50	117.50	3.42
5	15 Oct. '48	116.50	117.50	3.04
*5	2 Dec. '60	122.50	124.12	3.45
5½	1 July '46	117.50	118.50	2.89
Ont. Hydro Comm.:				
3¼	1 Feb. '53	101.00	102.00	▲3.05
3½	1 Apr. '47	103.75	104.75	2.88
4¼	1 Jan. '70	119.00	121.00	3.62
Prince Edward Island:				
3	1 Oct. '46	99.50	101.00	2.85
Quebec:				
3	1 Nov. '51	98.00	99.00	3.09
3¼	1 Mar. '48	101.00	102.00	3.01
3¼	1 June '52	100.00	101.00	3.16
4	15 Mar. '52	106.50	108.50	3.24
4¼	1 Aug. '58	110.00	111.50	3.46
4½	2 Jan. '63	113.00	114.50	3.60
Alberta:				
4	15 Dec. '54	51.25	55.25	§
4½	1 Oct. '51	57.00	61.00	§
†4½	1 Oct. '56	52.25	56.25	§
*5	1 Oct. '59	54.25	58.25	§
†5½	1 Apr. '52	56.25	59.25	§
6	1 Mar. '47	56.75	60.75	§
British Columbia:				
†4	1 Dec. '57	87.50	90.50	4.75
*4½	15 Jan. '51	96.75	99.75	4.52
†4½	1 Oct. '53	95.50	98.50	4.63
†5	25 Apr. '54	99.00	102.00	4.82
5½	1 Feb. '45	101.00	104.00	4.78
6	15 Feb. '47	102.50	105.50	5.20
Manitoba:				
†4	1 Dec. '57	82.50	86.50	5.10
†4½	15 Dec. '56	86.50	90.50	5.31
*5	2 Dec. '59	91.75	95.75	5.33
5½	1 Oct. '55	96.50	100.50	5.45
6	1 Apr. '47	99.25	103.25	5.33
Saskatchewan:				
4	1 Nov. '60	71.00	75.00	6.05
†4½	1 Oct. '51	79.00	83.00	6.40
†4½	15 Mar. '60	75.00	79.00	6.27
5	1 Aug. '58	80.00	84.00	6.44
5½	1 Oct. '52	8[illegible].50	87.50	6.87
6	15 Mar. '52	8[illegible].50	91.50	6.96

*Payable Can., N.Y., & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ▪Payable N.Y. ‡Callable on or after Sept. 15, 1936. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Dividends Declared

	This payment	Date payable	Date of record
Aluminium, pfd.	$1.50	Sept. 1	Aug. 15
Ault & Wiborg, p.	$1.37½	Aug. 1	July 15
Bk. of Toronto	$2.50	Sept. 1	Aug. 15
B. C. Tele., 2nd pf.	$1.50	Aug. 1	July 16
Buff. Ankerite	25c	Aug. 15	Aug. 1
Beattie Gold	5c	Aug. 20	July 29
Beatty Bros., 1st pf.	$1.50	Aug. 1	July 15
Can. Nor. Power	30c	July 25	June 30
Canada Bud	20c	July 26	July 15
Can. South Rly.	$1.50	Aug. 2	June 28
Can Bk. of Com.	$2	Aug. 1	June 30
Coniagas Mines	12½c	Aug. [illegible]	July 30
Can. Indust., A, B	$1.50	July 30	June 30
Can. Bronze	37½c	Aug. 1	July 20
Do., pref.	$1.25	Aug. [illegible]	July 20
Can. Malartic	3c	Aug. [illegible]	July 19
Coast Brew.	3c	Aug. [illegible]	July 14
Calgary Power, pf.	$1.50	Aug. 1	July 15
Can. Investors	10c	Aug. 2	July 18
Dist.-Seagram, pf.	$1.25	Aug. [illegible]	July 20
D. Ang. Inv., p.	$1.25	Sept. 1	Aug. 15
Dominion Tar. pf.	$1.37½	Aug. 1	July 12
Dome Mines	$1	July 30	June 30
Theatres, pf.	$3.50	July 30	June 30
Humberstone Shoe	50c	Aug. 1	July 15
Inter. Nickel, pfd.	$1.75	Aug. 1	July 2
Int. Metal, pfd. & pf. A	$1.50	Aug. [illegible]	July 15
Imperial Bank	$2.50	Aug. 1	July 30
Inter. Utilities pf.	$1.75	Aug. 1	July 20
Do., $3.50 pref.	87½c	Aug. [illegible]	July 20
Inter. C. Baking	$1.25	July 31	July 15
Kootenay Belle	4c	July 22	July 15
Do., extra	1c	July 22	July 15
M. L. H. & Pr.	38c	July 31	June 30
N. Biscuit	40c	Oct. 15	Sep. 16
Do., pref.	$1.75	Aug. 31	Aug. 2
Oxford Pipe, pf.	3½%	Aug. 1	July 15
Penmans	75c	Aug. 15	Aug. 5
Do., pref.	$1.50	Aug. 1	July 1
Power Corp., com.	*30c	July 25	June 30
South. Can. Pr., c.	20c	Aug. 15	July [illegible]
Saguenay Pr., pf.	$1.37½	Aug. 1	July [illegible]
Steel of Can.	43¾c	Aug. 1	July [illegible]
Do., pref.	43¾c	Aug. 1	July [illegible]
Silbak Prem.	†4c	July 25	[illegible]
St. Law. Flour	25c	Aug. 1	July [illegible]
Do., pref.	$1.75	Aug. 1	July 20
Toburn Gold	2c	Aug. 22	July 22
Do., extra	2c	Aug. 22	July 22
Union Gas	20c	Sept. 15	Aug. 20
United Fuel, p.	‡$1	Sept. 1	Aug. 15
Walker-G. & W.	$1	Sept. 15	Aug. 26
Do., pref.	25c	Sept. 15	Aug. 26
Walkerville Brew.	2½c	July 18	July 7
Weston, Geo., pf.	$1.25	Aug. 1	July 15

*Interim. †Initial. ‡On arrears.

DIVIDEND NOTICES

George Weston Limited

Preferred Dividend No. 10

NOTICE IS HEREBY GIVEN that a dividend of one dollar and twenty-five cents ($1.25) per share has been declared on the 5% Cumulative Redeemable Convertible Preference shares of George Weston Limited, payable on the 1st day of August, 1938, to shareholders of record at the close of business on the 15th day of July, 1938.

By Order of the Board.

W. H. KEMP,
Assistant Secretary.

Toronto, July 6th, 1938.

A. J. PATTISON JR. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

Mining Dividends

	Rate	Close July 11	Yield %
Anglo-Huronian	10c	3.00	...
Beattie Gold	10c	1.12	8.9
Bralorne	60c+30c	9.60	*9.4
Buffalo Ankerite	$1	15.87	6.3
Bulolo Gold	$3	28.25	10.6
Can. Malartic	6c	.95	6.3
Cariboo	10c+4½c	2.55	*5.7
Central Patricia	12c	2.50	4.8
Coniagas	25c	1.68	...
Coniaurum	‡5c	1.36	...
Cons. Smelters	50c+50c	59.00	...
Dome Mines	$2	29.00	6.9
Falconbridge	30c	6.00	5
Gunnar Gold	†3c	.74	...
Hedley Mascot	12c+2c	1.05	*13.3
Hollinger	65c+45c	14.50	*7.6
Howey Gold	4c	.29½	...
Hudson Bay	$1.75	29.00	6
Inter. Mining	25c	9.00	...
Int. Nickel, com.	$2+25c	49.00	*4.6
Island Mountain	5c	1.02	4.9
Jack Waite	†1½c	.50	...
Kerr Lake	5c	1.00	...
Kirkland Lake	8c	1.15	6.9
Kootenay Belle	9c+1c	1.24	*8
Lake Shore	$4+$1	51.75	*9.7
Lava Cap M.	5c	.95	...
Little Long Lac	40c	3.60	11.1
Macassa	20c	4.70	4.2
McGillivray Creek	3c	.20	...
McIntyre Porc.	$2	43.00	4.6
McKenzie Red Lake	12c	1.11	10.8
McKinley Sec.	5c	.60	8.3
Noranda	‡$2	67.50	...
Nipissing	37c	1.90	...
North. Empire	50c	8.10	6.2
Oro Plata	†4c	.60	...
Pioneer, B.C.	40c	3.00	13.3
Pickle Crow	40c	4.75	8.4
Placer Develop.	$1.20	16.50	7.3
Premier	12c	2.15	5.6
Reno	12c	.43	...
San Antonio	14c	1.28	10.9
Sheep Creek	12c+2c	.96	*14.5
Silbak Prem.	†4c	1.75	...
Siscoe	20c+1c	2.27	*9.2
Sudbury Basin	10c	2.90	3.4
Sullivan Cons.	5c	.98	5.1
Sylvanite	20c+5c	3.35	*7.5
Teck-Hughes	40c+10c	4.55	*11
Toburn	8c+4c	2.07	*5.8
Ventures	37½c	5.60	...
Wright-Harg.	40c+30c	7.50	*9.3

†Initial. ‡Interim. *Yield includes bonus.

Can. Car Branch Plant Report Not Confirmed

From Our Own Correspondent.

MONTREAL.—Reports that Canadian Car and Foundry Co. is contemplating construction of a branch airplane factory in Colombia cannot be confirmed. Both senior officers of the company, V. M. Drury, president, and L. A. Peto, vice-president and general manager, are away at present.

According to a dispatch from Mexico City, Howard F. Klien, representative of the company in Mexico, has discussed the establishment of such a branch with Colombian Minister Alejandro Galvis.

The Mexico City dispatch also stated repairing and enlarging of the airplane factory at Balbuena airport is progressing. Canadian Car has an agreement with the Mexican Government whereby it will manufacture planes in this plant on a profit sharing basis.

Dominion Textile Plants Work at 80% Capacity Prospects Indefinite

(Continued from page 1)

intermediate rather than the general tariff two years ago.

The American mills have secured a larger share of the Canadian market since that time. Most of the gain has been at the expense of the Lancashire mills, but the Canadian mills have not escaped.

However, the outlook for lessened competition is better, especially if the domestic market in the States continues to improve the way it has in the past few weeks. Given a continuation of better prices and stronger demand, the U. S. mills will direct their attention to meeting home requirements rather than shipping into the Canadian field.

As far as Dominion Textile Co. is concerned the situation is quiet. As mentioned the mills are operating at a relatively good level, though to be on a "good" basis it would be necessary to step up operations to 100% based on the present short week.

Labor Situation Quiet

The labor situation also is quiet. Last year, it will be recalled, the company experienced difficulties with their employees and a number of mills were closed down on account of strikes. An attempt by union officials to secure a new contract a short time ago was met by the company declaring itself independent of the unions. Further the company stated that it would only deal with works councils elected by the employees themselves.

Elections were held last month and the new councils duly installed in all mills, with the exception of the Montmorency mill.

Work conditions and wages of pay are still governed by the Government ordinance which continues in effect until September 3 next. No overtures have been made to have this agreement extended or altered and the expectation is that nothing will be done along that line until next month.

Earnings Outlook Indefinite

Dominion Textile is now in the second quarter of the current fiscal year which began on April 1 last. Earnings to date are not indicative of what the year's outcome is likely to be. Much will depend upon sales in the last half of the year.

The showing made by the company last year was good considering labor troubles and the falling off in sales. Gross trading profit was the same as in the 1936 fiscal year, but higher charges, especially for depreciation, reduced share earnings to $4.84 compared with $5.63.

Uncertainty over the outlook is reflected in the market value of Dominion Textile's common. At the current level of 65, the stock is selling seven points above its low for the year and 21 points under the high of 1937. The stock has not shown any appreciable improvement during the present bull market, whereas the list generally has scored a substantial advance. However, in this respect Dominion Textile's stock has acted as well as the other securities in this group.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 206

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st July, 1938, and that the same will be payable at the Bank and its Branches on and after Monday, 1st August next, to shareholders of record at the close of business on 30th June, 1938. The Transfer Books will not be closed.

By Order of the Board,

A. E. ARSCOTT,
General Manager.

Toronto, 24th June, 1938.

Wheat Board In the Market

Reduction From Former Minimum Price Seen as Likely

From Our Own Correspondent

WINNIPEG.—Canada is again in the wheat marketing business.

The Wheat Board will operate during the current season a voluntary pool taking wheat from farmers regardless of whether the market is above or below the minimum price set.

This was the basis on which the board operated in 1935-36. At that time farmers placed little value in the participation certificates and sold direct whenever the market rose above the 87½ cent minimum. Time showed they were right. Participation certificates that year had no value.

On three successive crops the minimum price has been 87½ cents. The west as a whole would like to see a corresponding price this year.

Hopes, however, are not high. If this price was set the Wheat Board would probably have to buy the whole crop, judging from present price indications.

A minimum price of 70 cents is mentioned in some quarters. With 70 cents the board might carry through the year with fairly small handlings.

Some observers believe that the demand for a wheat board was based not so much on a desire to have a government operated pool but on a more widespread desire to have a minimum price guaranteed by the Dominion.

And in fixing that price it is felt that Ottawa will not lose sight of:

1. Possibility of loss to the treasury from such a guarantee.
2. The fact that crop prospects make government assistance less necessary than would have been the case with continuance of a small crop.

Seiberling Plan Given Approval

Recapitalization Will Eliminate Pref.—Dividend Arrears Cancelled

The recapitalization plan of the Seiberling Rubber Co. of Canada, passed recently by preferred and common shareholders, has been approved by the court.

Under this plan holders of preferred shares will be given three shares of common for each one share of preferred. Dividend arrears will be cancelled.

Seiberling Rubber Co. of Akron, Ohio, at present owns the entire common stock of the Canadian company, amounting to 31,315 shares, and also owns 1,481 of the 5,000 7% preferred shares. The U. S. organization has agreed to contribute 10,557 shares of its common stock, valued at approximately $200,000.

By eliminating preferred requirements it will be possible for the company to issue further capital stock in a number of years, and provide needed working capital. Bank loans have absorbed between $30,000 and $40,000 in interest charges in the last few years, which would be obviated if additional capital could be provided by this means.

Brokerage Business Sold

N. Bawlf Grain Co. has disposed of its brokerage business to Jackson Brothers Grain Co. as from July 1, 1938. N. Bawlf Grain Co. will continue to operate its elevator and terminal business from a new address at 204 Lancaster Building, Calgary. Jackson Brothers Grain Co. operates 10 offices in western Canada from Winnipeg to Vancouver.

Damage by Rust Resisted by Crop

Major Portion of Wheat Acreage Not Affected

By STAFF WRITER

WINNIPEG.—Although rust has made its appearance in widely scattered wheat areas in southeastern Saskatchewan and western Manitoba, majority of grain opinion believes that no very serious damage is to be expected.

Optimism is based on high percentage of resistant wheat sown in susceptible districts. Over three quarters of hard spring wheat acreage in Manitoba this year is in Thatcher and other normally rust-resistant wheats and well over half the acreage in the rust belt in Saskatchewan.

Total of such protected acreage is believed not far short of 5,000,000, easily capable of producing from 100 to 150 million bushels. In 1935, when rust cut so disastrously into the crop, there was no resistant wheat planted commercially. Rust spores are settling on Thatcher wheat this summer, but so far appear to be doing no damage. Fields of Marquis in the same area are beginning to show some deterioration. West of a line drawn south through Saskatoon or in two thirds total wheat area, rust, of course, is not a factor. Continuance of scattered showers and broken weather over the prairies this week is generally regarded as favorable omen. In recent drought years weather two to four weeks before this date had settled down dry and hot.

More general rain would be welcome, especially in a week or 10 days, and particularly in south central and northern Alberta and northern Saskatchewan and all through Manitoba. But even without it an average crop seems almost assured.

Commodities

Commodity markets have been more or less irregular during the past week, a condition which was to be expected after the substantial rise that had occurred. Items which continued the advance were copper, sugar and hides with wheat also higher, while those in which recessions were recorded included rubber and cotton as well as cattle. The strengthening in wheat was attributable to reports of rust.

The net result of the week's changes was that the Dominion Bureau of Statistics weekly index fell to 79.9 against 80.4 the week before.

The monthly indices compiled by the Bureau also showed fractional declines for June as compared with May.

Price Range

	Latest week	Previous week	Same week last yr.
Cattle	$7.65	$8.00	$9.50
Hogs	12.35	12.15	10.90
Copper, lb.	.0975	.09½	.14
Cotton, lb	.0903	.0912	.1290
Rubber, lb.	.1510	.1520	.1906
Sugar, raw, lb.	.0272	.0268	.0347
Silk, lb.	1.81	1.81	2.02
Wheat, Man. (bus.)	1.01¼	1.00½	1.44¾
Coffee, lb.	.04⅞	.04⅞	.09⅜
Hides	.11	.09¾	.16½
Weekly Indices			
Canada (D.B.S.)	79.9	80.4	86.2
Do., Wood, Gundy	56.7	54.2	52.6
U. S. Labor	78.2	78.4	86.7
Dow Jones (future)	50.26	50.30	72.57
Crumps (Brit.)	73.6	73.0	83.4
Fishers'	81.2	80.9	92.9

Monthly Indices

Canada (D.B.S.)	Latest month	Prev. month	Same last year
Retail (June)	84.1	84.2	82.6
W'sale (June)	79.9	80.3	84.1
U. S. (Apr.)	78.7	79.7	88.0
Gt. Brit. (Apr.)	103.1	104.1	108.9

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto: Copper-electrolytic, New York: Silk — Japanese, 13-15 New York: Sugar — 96 degrees centrifugal c/f New York: Wheat — No. 1 Man. North, Ft. W.-Pt. A. Basis: Hides — No. 1 packer light.

Premier Aberhart May Quit

(Continued from page 1)

mier of Alberta as long as possible without a contest.

Opposition of the back bencher is based on somewhat similar reasoning. In the next election, be it this fall or the year after next, many of them know that they are certain to be defeated. Farmers who voted for them in 1935 because they had nothing to lose but debts now see a real harvest coming and want to reap it. Even a divided opposition will undoubtedly be able to cut down present Social Credit strength. And after going to considerable trouble and in the face of no little hostility to get their legislative salaries boosted from $1,800 a year to $2,000, they are extremely loath to risk having this income cut off.

The arrangement suits Mr. Aberhart very well. Better before the microphone or a non-heckling Bible class, observers tell me that he has no desire to face another election. When it is called he will probably announce that as a result of his recent heavy responsibilities he is going to retire. The reins will probably be turned over to young, energetic and admittedly shrewd Mr. Manning, present provincial secretary. In the meantime, Mr. Aberhart holds the whip hand over the back benchers. Either they support him or an immediate election may be called.

Just prior to an election, however, I am told that, as a precaution, Mr. Aberhart will repeal the present system of transferable vote. Under it there would be little chance of holding on or indeed of making any showing at all, because the Social Credit party could not hope to obtain any second choice, whereas the opposition undoubtedly would.

Position of Opposition

And what of the opposition? Like Nero they continue to play their fiddles, not entirely oblivious of the conflagration perhaps, but not as yet vitally concerned. Their only link is antagonism to the Aberhart Government. This is matched by almost equal antagonism to each other.

Unlike Saskatchewan, there is no bedrock of old party Liberalism in this province. Liberals have not held power since 1921 and there has never been Conservative Government. There has always been a large block of the electors ready to vote as fancy dictated. Once they supported the Liberals, then the United Farmers of Alberta, finally in 1935 Social Credit. Next time the new Unity movement hopes to secure their support.

So far no Moses has appeared to unite and lead the three major opposition parties. When E. L. Gray, present Liberal head, was put up some months ago, there were high hopes. The new Unity group lined up solidly behind him and both Conservatives and U.F.A. pledged support. But Mr. Gray is now a straight Liberal.

John I. McFarland at present heads the Unity movement, but has announced that he is holding the position only until some younger man comes along. And he may come, so far as Mr. McFarland is concerned, from the U.F.A., Liberals, Conservatives or C.C.F. All that is wanted is a real leader, preferably raised and trained in Alberta.

Gardiner Blamed

Responsibility for the present split between Gray and the other opposition groups is, rightly or wrongly, laid on the broad shoulders of Hon. J. G. Gardiner, Dominion Minister of Agriculture. As head of the Dominion Liberal organization in both Saskatchewan and Alberta, Mr. Gardiner is not for weakening his party by any local mergers. He is considered directly responsible for the change which developed in Gray's attitude toward unity after his election to the Legislature.

It is reported in political circles that Senator Buchanan, Lethbridge publisher, was asked to take over the Alberta Liberal organization. It is further reported that Mr. McFarland offered to throw the wholehearted support of the Unity group behind Buchanan if this was done. The story goes that the plan broke down when Premier Mackenzie King refused to pull out Mr. Gardiner.

At any rate the stand taken by Mr. Gardiner has aroused strong opposition from a section of the Liberal party, even if the majority are eager to keep their organization intact. Some Liberals insist they will vote the Unity ticket no matter what their party does.

There is a good deal of talk of an arrangement that would leave to the local ridings the onerous task of selecting a candidate from among the opposition parties, most likely to beat Social Credit. Then the others would withdraw.

This scheme offers many chances for friction. The man on the street, however, is losing patience with the politicians and only wants a chance to register a vote where it will not be wasted. Pressure is developing and there may yet come real co-operation among the parties.

Week in Wheat

Market Shows Strength Despite Crop Estimates

Bearish Factors in World Situation Believed Discounted — Demand for Overseas Shipment Helps Market

From Our Own Correspondent

WINNIPEG.—The wheat market at the beginning of the week developed encouraging strength in face of United States Government estimate of the second highest wheat crop in history, and continued growth in western Canada.

To a somewhat limited extent this strength was due to fears that rust damage, both to the spring wheat crop of the United States and that of western Canada, may become serious. To a larger extent it seemed to be due to a feeling that the most bearish factors of the world wheat situation are already discounted.

Any changes, if they occur, are likely to be bullish in tendency through cutting down prospective supplies.

Overseas Buying

During the past two weeks overseas buyers have been very slow in making forward commitments, apparently wanting to see how crops are going to turn out. At the beginning of this week, however, some fair buying came into the market, some of it direct from overseas and some by way of spreading transactions from Chicago based in part on hedging purchases from abroad placed in that market.

Wheat prices in the United States have been strengthened to some extent by the strength shown in corn, creating a possibility that unusually large quantities of United States wheat may be fed to livestock. They have also been strengthened by good prices currently prevailing for both cattle and hogs.

The greater part of business done in Winnipeg has been in the October futures, but there has been sufficient demand for cash wheat and for the July futures to cause a somewhat larger advance there. This has been based on a real demand for wheat for shipment the next few weeks. Some United States white winter wheat from the Pacific coast is now being shipped to England where it is the cheapest offered. The need for some strong wheat to make a satisfactory milling mix has increased the immediate demand for Canadian wheat. There has been an increase in shipments from Vancouver and it now seems likely that the half million bushels still remaining at that port will be completely shipped out before the new crop begins to move.

• • •

July Deliveries

While deliveries of wheat on the July contract have been negligible the cash prices for different contract grades have been running only slightly over the delivery basis. This appears to confirm the general opinion that there will be no difficulty in liquidating the July contract in spite of the extremely small quantity of contract grades available for delivery. There is probability that only very small quantities of wheat remain hedged in the July.

The Winnipeg market for new crop wheat continues to be strongly affected by the development at Chicago. The obvious fact that the United States will be exporting considerable quantities of wheat this year seems to make it inevitable that the Winnipeg and Chicago markets will continue on a fairly even relationship. The Chicago market at the moment has to stand the impact of extremely heavy deliveries of new crop wheat. Until, however, United States Government plans with respect to price maintenance machinery and crop restriction for another year are fully known, U. S. farmers are continuing to hold a good deal of their wheat. The general expectation now is that the Government will offer to loan money to farmers who store their wheat on the basis of 60 cents a bushel. It is also expected that the Government will attempt to make full use of its powers in trying to bring about the reduction of total seeded acreage of the country to about 55 million acres.

U. S. farmers, of course, who borrow money on stored wheat will do so in the expectation of being able to obtain a higher price for wheat later on than the market currently affords. That belief in turn will have to rest on a belief in the efficacy of acreage reduction measures. Private reports have been reaching Winnipeg from the winter wheat belt indicating a fairly widespread belief that the Government will succeed in cutting down acreage considerably.

In the meantime the general belief is that some strength is being contributed to the United States market at the present time by the prospect of Government action.

Dominion-Scottish Income Is Higher

Heavier Bond Interest Charges Reduce Net Profits

Although income from all sources of Dominion-Scottish Investments Ltd., management type investment trust was higher in year ended May 31, 1938, than in preceding period, higher requirements for bond interest reduced net profits. Net was equivalent to $2.34 a share on the preference stocks against $2.45 a share. Regular dividends of $2.50 (5%) were paid in each year and unpaid arrears remained at $5.25 a share, a total of $257,964, as at May 31 this year.

Income of the trust was maintained last year through the receipt of dividends and interest and not to the same extent as in the preceding year by payments of back dividends or interests, C. S. Macdonald, chairman, points out. In spite of the general recession in business, income has been fairly well maintained to date.

More Bonds Issued

In the latter part of 1937, directors considered the moment a favorable one for issuing additional bonds and the sale of $250,000 more of the 4% collateral trust bonds, due 1952, brought outstanding amount to $1 million out of an authorized $1.5 million.

Book value of investments held as at May 31, 1938, was $3.7 millions and market value $2.8 millions. This compares with $3.5 millions for book value and $3.6 millions for market value a year ago. After deducting prior liabilities there was available an equity of $34.48 a share for the preference stocks against $56.10 at the end of May last year.

Details of income and surplus account as follow:

Income and Surplus Account Years Ended May 31

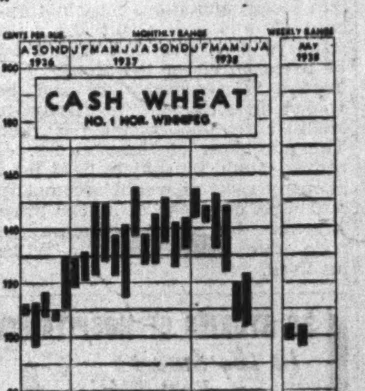
	1938 $	1937 $
Invest. & other income	196,631	178,380
Less: Rents, sals., etc.	10,870	10,318
Executive salary	2,500	2,500
Directors' fees	3,000	3,000
Legal expenses	844	62
Interest, exch., etc.	1,894	1,596
Trustees', regist., auditors	2,133	1,982
Net earnings	175,390	158,922
Less: Bond interest	37,107	11,868
Bond disc. & exp.	18,324	17,834
Income tax	4,771	8,745
Net profit	115,188	120,475
Less: Pref. divid.	122,840	128,122
Deficit for year	7,652	7,647
Less: Prev. surplus	68,282	75,929
Surplus forward	60,630	68,282
Earned Per Share:		
Preferred: Earned	$2.34	$2.45
Paid	2.50	2.50
Common: Earned	d0.09	d0.09
Shares Outstanding:		
Preference, $50 par	49,136	49,136
Common, $1 par	89,153	89,153

P. M. Fox Named Manager St. Lawrence Paper Mills

From Our Own Correspondent

MONTREAL.—P. M. Fox, general manager of Lake St. John Power & Paper Co., has been appointed to a similar position with St. Lawrence Paper Mills. He will continue in charge of operations for both companies.

Wheat Prices



(Cash Quotations)

	For Week July 12 High	For Week July 12 Low	Prev. Week High	Prev. Week Low
1 Northern	1.03⅝	.96⅝	1.04	.98⅜
2 Northern	1.00⅝	.92⅞	1.02	.95⅝
3 Northern	.96½	.88⅞	.99	.93⅜
4 Northern	.89	.82⅞	.93	.88⅜
5 Wheat	.69¾	.66⅝	.72¼	.66¾
6 Wheat	.63⅝	.60⅞	.68¼	.60¾
Feed Wheat	.61⅝	.58⅝	.64¼	.60½

Competitive Export Prices:

July shipments:

	Week to July 12 High	Week to July 12 Low
No. 1 North. (Van.)	1.17¾	1.13⅝
No. 3 North. (Atlan.)	1.13⅝	1.09⅛
Australian (afloat)	.99	.98⅜
Indian (choice Karachi)	.92	.91½
U. S. Hard Winters	1.00⅝	.89¼
U. S. White Pac.‡	.87¾	.87⅝
Argentine Barusso	1.02½	1.00⅝
Russian†	.94¼	.89⅛

†New crop. ‡Loading.

Winnipeg Grain Futures

Week to July 12, 1938

Crop year from Aug. 1, 1937 High	Low		Open July 6	High for week	Low for week	Close July 12	Close year ago
		Wheat					
1.22½	.88½	July	.98	1.04½	.95	1.03½	1.44½
1.03	.73¾	Oct.	.79⅞	.81¾	.78¼	.81⅝	1.38
.86⅝	.73¼	Dec.	.76¾	.79⅝	.76⅝	.79¼	1.34
.88⅞	.76⅞	Nov.	.78¾	.80⅝	.78⅝	.80⅝	......
		Oats					
.49	.40⅝	July	.44	.45⅝	.43¾	.45¾	.55
.44	.34⅝	Oct.	.36	.37	.34⅝	.36¼	.34⅝
.35⅝	.32½	Dec.	.33½	.33⅝	.32½	.33⅝	.31⅝
		Barley					
.63⅝	.48¼	July	.49⅛	.50	.48¼	.50	.74
.55	.47⅛	Oct.	.48⅝	.48½	.47⅛	.48⅝	.68½
.49¾	.45⅝	Dec.	.45½	.46½	.45½	.46	.66½
		Flax					
1.77¾	1.32½	July	1.42½	1.46	1.42½	1.46	1.61¾
1.52	1.33½	Oct.	1.44	1.47½	1.44	1.47½	1.53¾
		Rye					
.86⅝	.46⅞	July	.49¾	.52⅝	.48⅝	.52⅝	1.43⅞
.58	.49⅝	Oct.	.50	.53⅝	.50	.53	.97⅝
.55⅝	.49⅛	Dec.	.50⅝	.53⅝	.50¼	.53½	.94⅝

RELIANCE
GRAIN COMPANY LIMITED
Owners and Operators Country Elevators and Terminals
Exporters and Shippers
SMITH, MURPHY & CO. INC.
510 PRODUCE EXCHANGE, NEW YORK
Head Office: 919 Grain Exchange, Winnipeg
Branch Offices: Toronto and Vancouver

McCABE BROS. GRAIN CO. LTD.
WINNIPEG, MAN.
Grain Commission Merchants — Shippers and Exporters — All Grains-Sacked Feeds
Country and Terminal Elevator Operators
Grain Merchandising
MANITOBA - SASKATCHEWAN - ALBERTA
Offices: DULUTH - MINNEAPOLIS

EST. 1857
Grain Merchants Shippers & Exporters
Pioneers IN THE EXPORTING OF CANADIAN GRAIN
JAMES RICHARDSON & SONS Limited
WINNIPEG REGINA · MONTREAL MOOSE JAW · VANCOUVER SASKATOON · TORONTO CALGARY · KINGSTON EDMONTON

The Test of Time
PURITY FLOUR
TIME — the supreme test of merit — has enhanced the popularity of "Purity" Products. Customer goodwill has been enjoyed unceasingly for over thirty years.
Western Canada Flour Mills Co. Limited
Head Office: Toronto, Canada
Branches from Coast to Coast
Millers of
PURITY FLOUR — PURITY ROLLED OATS — PURITY SALT — HOVIS FLOUR — PIONEER POULTRY FEEDS
Mills at GODERICH, WINNIPEG, BRANDON, CALGARY, VICTORIA

The WESTERN SAVINGS and LOAN ASSOCIATION
HEAD OFFICE: WINNIPEG, MANITOBA
OFFICES:
Agency Building - - - Edmonton, Alta.
221A 8th Ave. W. - - - Calgary, Alta.
McCallum-Hill Building - - Regina, Sask.
411 Avenue Building - - Saskatoon, Sask.

CHECK YOUR STOCKS NOW
with this new information in
THE FINANCIAL POST
SURVEY OF CORPORATE SECURITIES
1938
Just off the press. Contains complete data on over 1,500 corporations whose securities are in the hands of the public, including those listed on Canadian exchanges and many which are unlisted.
THE FINANCIAL POST SURVEY OF CORPORATE SECURITIES 1938
Gives facts as to businesses and properties . . . names of officers and directors . . . balance sheet and income and surplus account for three years . . . price range of stock for past eight years . . . dividend rate and previous payments . . . capital structure and funded debt . . . funds in which bond interest payable.
Current market comeback has spurred demand for this book. Make sure of your copy.
$2 Per Copy Postpaid
Size 9" x 12"
286 Pages.
ORDER NOW
THE FINANCIAL POST, 481 University Avenue, Toronto.
Send me postpaid .... copies of The Financial Post SURVEY OF CORPORATE SECURITIES, 1938.
Herewith $............in payment.
NAME ....
ADDRESS ....
.... 932

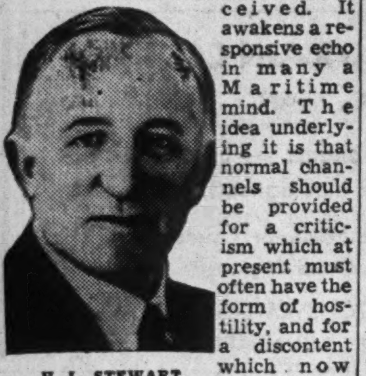
A Voice from the Maritimes

Smoothing Relations

New Brunswick's Plans For Better Feeling Among Provinces Analyzed

By HERBERT L. STEWART

The proposal in the New Brunswick brief about a "Department of Provincial Relations" at Ottawa, seems to call for more reflection than it has yet received. It awakens a responsive echo in many a Maritime mind. The idea underlying it is that normal channels should be provided for a criticism which at present must often have the form of hostility, and for a discontent which now has to appear as quarrelsomeness. Obviously, a change from this state of affairs would be desirable.



H. L. STEWART

We in the Maritimes are under no illusion about the way in which our complaining mood is regarded in central Canada. We know the look of weary resignation to the inevitable which comes upon certain faces at Ottawa when yet another speaker from Nova Scotia or New Brunswick or Prince Edward Island intimates that he is about to discuss yet another "Confederation grievance."

The point of the brief from Fredericton is not to challenge or to blame this impatience. On the contrary, it is to suggest how a slight constitutional modification might overcome a fault which, as things now stand, is inevitable.

Source of Trouble

A very substantial, a very wasteful and at times a very dangerous source of trouble has lain in the steady accumulation of conflicts which, though they could not be foreseen, might have been adjusted one by one as they arose.

But it is not only a Department of Provincial Relations at Ottawa that the New Brunswick brief suggests. It is a department of federal relations in each provincial capital. This is no less important. If we are in earnest with Confederation (and nowhere in Canada are people more in earnest with it than in the Maritimes), we should be just as keen to enquire regarding a proposed provincial enactment, "How will that affect Dominion interests?" as to scrutinize a Dominion enactment regarding its consequence for our own province.

Delivering his welcome to the members of the Canadian Medical Association, in conference at Halifax, Premier A. L. Macdonald, of Nova Scotia, impressed upon his listeners that the problem of the hour is "Canadian unity." He might well have added that a peril of the hour, as we see it in the Maritimes, lies in the conception of this unity as if it were a mere mechanical aggregate of advantage.

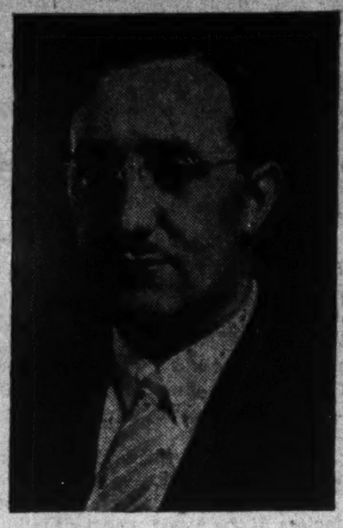
No province can pretend that it has been altogether immune from the fault of thus construing the great partnership, from time to time, in terms merely of the economic balance of profit and loss. There are times of ebb as well as times of flow for the enthusiasm we call "Canadian." It would be idle to contend that the tide is just now in flood, as one can remember it at certain periods of the past. Perhaps the Dominion-Provincial Relations Commission would never have been set up but for the uneasy, only half acknowledged consciousness that an ebb had developed.

Our briefs from the Maritimes, among which I have taken the argument of the one from New Brunswick, as in this respect representative, have urged the conviction that the lull in enthusiasm is but temporary, and indeed to a great extent the product of the spirit which takes it for granted that Canadianism is too robust to need any further care.

In these days we do not believe that there is any cause in the world so strong, so well established, as to afford such optimistic negligence. "How will this legislation for the province affect the Dominion?"—"Never mind; they will watch that in Ottawa." "How will this Dominion Act affect the provinces respectively?" — "Never mind; we shall soon hear from any province that feels aggravated." Such has, too often, been the attitude, federal and provincial respectively: a waiting upon action from the "aggrieved" party, as one waits for a creditor to send in his bill. Is it on such a basis that any successful business organization could carry on?

It is not a question in addition and subtraction of interests merely: it is a question, as Premier Macdonald would say, of organic unity of these nine partner provinces that is at stake. Not just an equal distribution of material benefits, but the challenge to an equal share in a single inspiring enterprise made this Canada in the past.

The same inspiration must remake it. Our Maritime briefs have contributed to the cause this significant warning—that unity can no longer be left to assure itself. It will be re-established, after its present period of decline, but not by chance; only by definite challenge to our people at their best.



GENERAL MANAGER

R. J. Telford has been appointed general manager of Reo Motor Co. of Canada. Mr. Telford was secretary-treasurer for the past two years and for the last seven months has acted as senior executive in charge of company affairs during the illness of Mr. Duggan, who has resigned.

Inter City Baking Increases Dividend

From Our Own Correspondent

MONTREAL.—Inter City Baking Co., which is controlled by Lake of the Woods Milling Co., has increased the semi-annual dividend on its common stock, having declared a dividend of $1.25 a share, payable July 31, to shareholders of record, July 15. This compares with semi-annual payments of $1 a share during the past three years.

Inter City Baking suspended dividend payments in 1932, as a result of declining earnings. In the year ended Jan. 31, 1933, the company reported a deficit, but in 1933-34 earnings recovered to $1.54 a share and in 1934-35 to $2.66 a share. Dividends were not resumed until August 1, 1935, when the stock was placed on a semi-annual dividend basis of $1 a share. During the past two years earnings have been above the $2 annual dividend rate, being in excess of $3 a share. In the year ended Jan. 31, 1938, the company earned $3.07 a share, as compared with $3.56 a share in the previous year.

Dominion Government Revenue Down in June

Receipts in First Quarter of Year Show Increase of $12.3 Millions — Relief Costs Record Encouraging Reduction

Revenues of the Dominion Government are beginning to show the effects of the recession in business, receipts in June being $2.8 millions lower than same month last year.

In fact, receipts from all sources were lower. Customs duties, reflecting the drop in imports, suffered the sharpest decline, being over $1 million lower.

For the first quarter of the current fiscal year revenues were actually $12.3 millions higher than in the corresponding period of 1937, but this is entirely due to an increase of $19.8 millions in income tax collections. Receipts from other sources were lower, so that total revenue at $179.5 millions shows an increase of only $12.3 millions.

Customs duties dropped $3.2 millions in the three-month period and excise and sales tax receipts declined $2.4 millions. These two revenue sources are good indices of current business activity, whereas income tax collections are based on 1937 income.

Expenditures Down

Expenditures have also fallen, total expenses for the first quarter being $16.9 millions below the same period last year. Thus, there was an improvement in the budget position of the Dominion over the first quarter of the 1937-38 fiscal year of $29.2 millions.

Hower, the large reduction in expenditures is somewhat illusory. For instance, provision for deficits on government-owned enterprises is $7.9 millions less than in the three months ended June 30, 1937, whereas, deficits for the entire year will probably be considerably greater than in 1937-38.

Ordinary expenditures declined $3.2 millions in the three-month period, largely as a result of lower interest charges.

Relief Costs Down

A good omen is the continued decline in relief expenditures despite the recession in business activities. For the first quarter, relief costs of the Dominion Government totalled $3.2 millions, a reduction of $5.4 millions. Relief grants to the provinces were $3.2 millions lower and expenditures on relief work were down $2.2 millions.

As a result of a temporary loan of $34.8 millions to the C.N.R., loans and investments of the Dominion Government for the first quarter were substantially higher than in the same period last year, amounting to $37.6 millions as compared with $5.3 millions.

Comparative details of revenue and expenditures for the first quarter and for the month of June are given below:

DOMINION GOVERNMENT
Revenue and Expenditures
Three Months Ended June 30

Receipts:	1938 $ 000's	1937 $ 000's	Change $ 000's
Customs duty ...	20,176	23,452	—3,276
Excise duty	13,015	13,009	+6
Excise, sales tax.	34,415	36,848	—2,433
Income tax	101,391	81,608	+19,783
Post office	7,601	7,603	—2
Sundry	2,685	3,929	—1,244
Special	235	680	—445
Tota revenue ...	179,518	167,219	+12,299
Expenditures:			
Ordinary	87,152	90,435	—3,283
Capital	323	6992	—369
Relief	3,238	8,639	—5,401
Govt. enterprises	7,259	15,211	—7,952
Write-offs	132	70	+52
Total expend. ..	98,104	115,047	—16,943
Month of June			
Receipts:			
Customs duty ...	6,976	7,982	—1,006
Excise duty	4,574	4,708	—134
Excise, sales tax.	14,215	15,044	—829
Income tax	4,747	5,159	—412
Post office	2,401	2,402	—1
Sundry	1,092	1,373	—281
Special	139	309	—170
Total revenue ...	34,144	36,977	—2,833
Expenditures:			
Ordinary	23,168	26,327	—3,159
Capital	264	227	+40
Relief	3,149	4,158	—1,009
Govt. enterprises	7,192	13,074	—5,882
Write-offs	133	31	+102
Total expend. ..	33,906	43,817	—9,911

Ottawa Light Cash Improves

Several Changes Noted in Balance Sheet as at May 31

From Our Own Correspondent

MONTREAL.—Cash position of Ottawa Light, Heat and Power Co. will be improved as a result of refunding of the company's bonds. The entire proceeds of the refunding issue will be necessary to redeem bonds at present outstanding, but the balance sheet of the company as at May 31, 1938, showed the company held about $110,000 of its own bonds. These are being converted into cash.

The balance sheet as at May 31, 1937, issued in connection with the prospectus of the refunding issue, shows improvement in working capital since the end of 1937 from $365,995 to $475,048. Current assets at $764,693 are $46,875 higher and current liabilities at $292,645 are down $59,241. Included under current assets is a tax prepayment certificate for $149,000. Accounts receivable and inventories have both been reduced since the end of 1937. Cash at $163,114 is $70,901 lower than at the end of 1937, but will be increased by about $110,000 as a result of the refunding operation.

Fixed Assets Up

Fixed assets after depreciation at $7,735,144 show an increase of $46,977. As a result of the refunding operation funded debt will be increased from $4,574,000 to $5 millions. At the same time there will be a substantial increase in premium redemption of bonds and financing expenses, which amounted to $436,456 at the end of May.

W. C. Pitfield & Co. Ltd. and Wood, Gundy & Co. Ltd. underwriters, report a good reception for the refunding issue.

Spend Your Vacation at ELGIN HOUSE in Beautiful MUSKOKA Canada
135 Miles from Toronto
Unsurpassed facilities for vacation enjoyment, Golf, Tennis, Lawn Bowling, Bathing, Canoeing, Launch and Steamer Trips, etc. House steam heated, also open fireplaces. Cottages adjoining to let furnished. Garage accommodation. Good motor roads. June 25 to Sept. 23. Booklet, Rates and Map on request.
150 rooms with hot and cold water, 75 with private bath, 75 with steam heat, and private balconies.
ELGIN HOUSE LIMITED
Lake Joseph, Muskoka, Ont.

GREAT LAKES 5-Day Cruises
as low as $40
Thrill to an inland ocean voyage on the smooth waters of the Great Lakes . . . lovely Georgian Bay, busy St. Mary's River, famous Soo locks. Interesting hours ashore at the Soo, Fort William and Port Arthur. Your ship a staunch Canadian Pacific steamer . . . deck games . . . dancing . . . tasty meals and cool, airy staterooms:
Frequent sailings every week from Port McNicoll and Owen Sound
ALL-EXPENSE CIRCLE CRUISES
5 Carefree Days . . $40 Including visit to Mackinac Island via S.S. 'MANITOBA'
5 Thrilling Days . $50 via S.S. 'KEEWATIN' or 'ASSINIBOIA'
Reservations and full information from your own travel agent or
E. F. THOMPSON, Steamship General Agent, Canadian Pacific Building, Toronto.
Canadian Pacific

Twenty-four Stocks Selling Under $5

(Continued from page 11)

and was not renewed, but was at least partially offset by a demand from other sources. Full interest at the rate of 4% was paid on the income bonds last year.

International Utilities Corp.

International Utilities Corp. is a holding and investment company with about one quarter of its holdings in western Canada under the Dominion Gas and Electric group. The balance is mostly in the United States. The capitalization is rather complicated with two issues of prior preferred, and another issue of $1.75 series of preferred stock ranking ahead of the 111,254 class A shares, and the 1,267,305 class B shares.

Arrears on the prior preferred have been liquidated and several other changes made simplifying the company's general capital set-up. Last year, net profits were equivalent to $1.54 a share on the class A, against $2.43 a year ago. Deficits of 15 cents a share in 1937 and nine cents a share in 1936, were reported for the class B. Arrears of dividends are still substantial on both the $1.75 preferred and the class A stock.

Canada Steamship

Canada Steamship Lines may hardly be classed as a public utility, but in some respects, its operations have certain aspects closely akin to this type of business. This company has outstanding, $1¼ million of 6% first mortgage bonds of a subsidiary, $10.5 millions of 5% first mortgage bonds of the parent company, $11.5 millions of 5% preference stock, and 300,000 common shares.

Dividends on the preferred are non-cumulative until 1943, and an initial dividend of 50 cents a share was paid on April 1 of this year.

This stock was issued as part of a reorganization plan carried out in 1936, whereby arrears on the old stock were settled, and other capital changes made. In 1937, the company earned $1.03 on the preference stock with nothing available for the common.

Operating the largest fleet of freight and passenger boats on the Great Lakes and St. Lawrence River, the company obtained a substantial benefit early this year from the heavy flow of corn from the Middle Western States, and early season business was excellent. It is believed that some slackening has taken place, and until prospects for the 1938 grain crops are more definite, it will be hard to estimate what volume of business the company can expect during the balance of the season.

The next group includes three companies making household equipment and a carpet manufacturing concern. To a considerable extent, all of their products—radios, electric refrigerators, vacuum cleaners, washing machines, and other items—are subject to considerable fluctuation in line with general prosperity.

Last year, conditions were generally good, but it is believed that beginning last winter some lines such as radios, were severely hit by price cutting. Purchase of many of these products are postponable, but are particularly encouraged by such extra earnings as profits in the stock market.

Harding Carpets

Harding Carpets, a dividend-paying stock, is capitalized with 171,025 common shares. Its plants at Brantford are modern and permit the making of a wide range of carpets and rugs. In the year ending Oct. 31, 1937, sales volume was up about 27%, but profits did not show a proportionate increase because of the rise of raw materials. Net, however, was equivalent to 39 cents a share against 32 cents in the previous period. Shipments were maintained within 10% of the level of the corresponding period a year ago in the first half of the year, but margin of profit was adversely affected and lower wool prices resulted in a write down in inventory, and a reduction in working capital and loss for the period. In the past couple of years, considerable new equipment has been installed, which permits the company to carry out a greater proportion of the total operations involved in making its products.

Rogers-Majestic

Rogers-Majestic Corporation earned 65 cents a share on its combined capitalization of 200,000 class A shares and 50,000 class B shares in the year ended March 31, 1938, compared with 60 cents a share in 1937. The company makes household appliances, including radios, washers, ironers, vacuum cleaners, refrigerators, and clocks. It also operates radio station CFRB.

No dividends have been paid on its common stock since 1932, and during most of the intervening period, deficits or small profits have been reported. Improvement has taken place in the last two years, and continuation of this trend will be largely dependent on general business conditions and prosperity.

Easy Washing Machine

The Easy Washing Machine Co. makes electrical washing machines in its plant near Toronto, which was purchased last year. After making considerable progress in reducing arrears on the $64,300 of preferred stock, the company failed to make payment ordinarily due July 1 of this year.

Arrears amounted to 35 cents a share as at February 1 of this year. Last year the company earned $5.26 a share on its preferred stock and 95 cents a share on the common, as compared with $3.36 and 66 cents respectively in the preceding year. Sales and profits for the first four months of 1938 were within 5% of the same period a year ago. Need for a strong working capital position, however, is believed responsible for the dividend delay.

Standard Paving

Standard Paving and Materials does paving work and supplies sand and gravel for all types of building and construction work throughout Ontario, Quebec and the Maritime Provinces, specializing in asphalt paving. Its capitalization includes $1.3 million of 7% preferred stock, on which arrears were $40 a share as at March 31 this year, and 104,872 common shares.

In the year ended March 31, the first net profit since 1932 was shown and earnings per share were $6.28 on the preferred, against a loss of $15.32 a share in the preceding year. Business of its chief subsidiary is not expected to be quite as large in 1938 as last year, but the paving company started this year with a greater amount of business under contract than a year ago.

International Paints

International Paints (Canada) makes a wide range of paints and finishes, under rights obtained from an English company. It should be among those to benefit from the removal of the sales tax on building materials. Capitalization includes $136,267 in 5½% first mortgage bonds, $840,000 in preferred stock, 20,860 shares of non-voting class A stock, and 7,140 shares of voting class B stock. Dividends on the class A and B common shares cannot be paid until arrears of $5.50 a share on the new preferred stock are paid. Last year the company earned $1.25 a share on its new preferred of $20 par value against $1 a share in 1936.

Dividend payments on the preferred totalled $1.25 a share. Working capital for the company reached a new high record at the end of last September.

In selecting this list of low-priced stocks, outside of the requirement that recent quotations must not exceed $5 a share, about the only standard used was that they must be listed on either the Montreal or Toronto stock exchanges and be traded in sufficient regularity to assure a reasonably stable market. The purchases of these stocks, of course, would be subject to at least as many risks as would accompany purchases of stocks in higher price brackets, but other considerations may compensate for the risks involved.

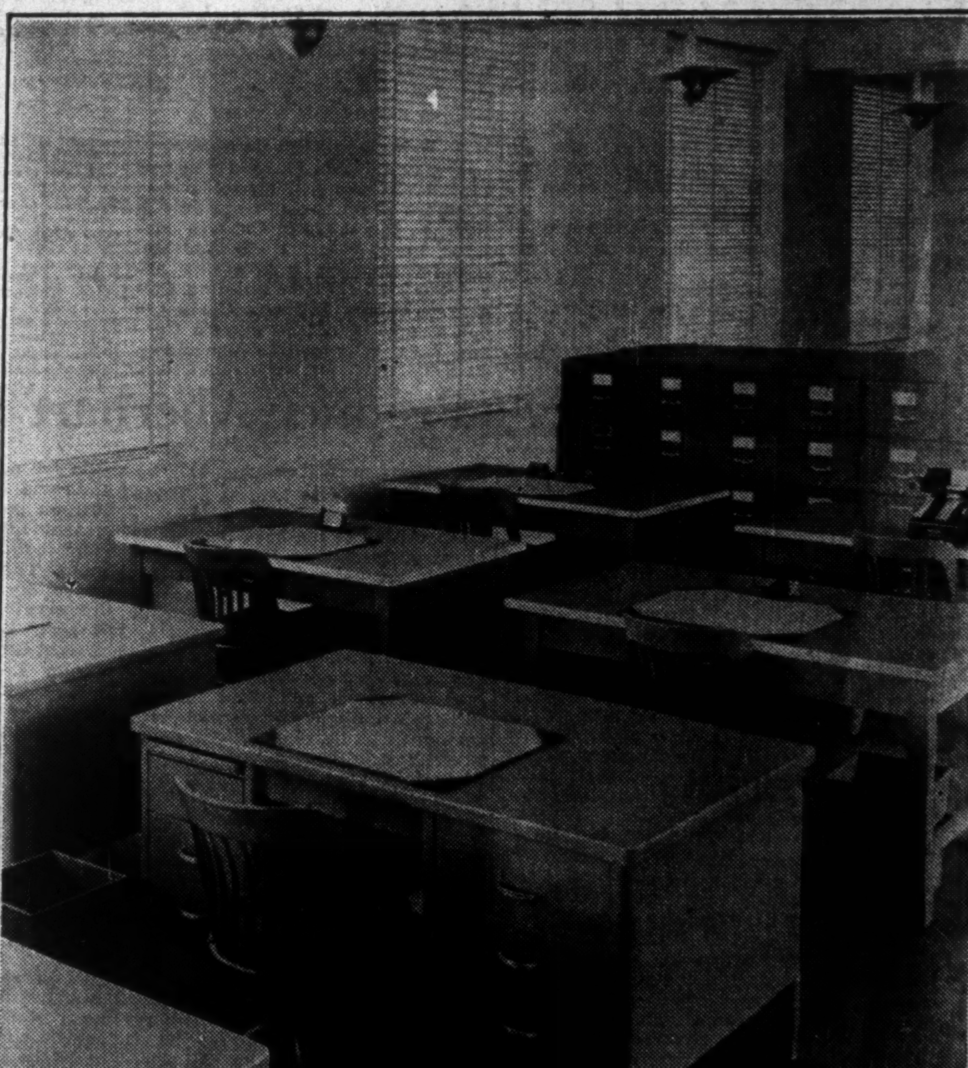
Saint John Calling!
It's the Admiral Beatty—the official AAA hotel. 250 fireproof rooms from $2. single, $3. double. Modern cafeteria. AAA garage.
The ADMIRAL BEATTY
SAINT JOHN, N.B.

· AT · MURRAY · BAY · QUEBEC ·
THE MANOIR RICHELIEU
Came for a week-end . . . Stayed for a month—
Sounds a trifle thoughtless, doesn't it? But the Manoir Richelieu is an indulgent host. It doesn't take a week to warm up to life here—you swing into it the moment you arrive. And then you wonder why on earth you didn't come before!
Rooms with bath from eight dollars a day, American Plan. Write John O. Evans, Manager, Murray Bay, Quebec, or inquire of any travel agent or Canada Steamship Lines.

VANCOUVER
SEATTLE
WINNIPEG
One way through United States
See both countries . . . Low fares
● Take the Empire Builder from Chicago to West Coast, or vice versa. Bedroom cars, standard Pullmans, tourist sleepers, luxury coaches. All air-conditioned. Low fares. Dining car meals 50 cents up.
● Another favorite Great Northern train is the air-conditioned Winnipeg Limited —overnight between Winnipeg and Minneapolis-St. Paul.
GREAT NORTHERN RAILWAY
H. E. WATKINS
General Agent; Great Northern Ry.; 507 Royal Bank Bldg.; Toronto; Ont.; Phone: Elgin 3992.
I am interested in a trip to ____________
Please send me information.
Name ____________
Address ____________
City ____________ Province ____________
(If student, please state grade ____________)
P6

30 STORIES OF HOSPITALITY
In the Smart East Fifties
Opposite the Waldorf-Astoria
● Quiet dignity for your background. Every measure of comfort — Spacious rooms, beautifully furnished—Plus convenience of location . . . Excellent restaurant and duplex cocktail lounge . . . air-conditioned.
Single Rooms $4-$5 • Double $6-$7
Suites from $8
Special monthly and yearly rates
The Beverly HOTEL
William A. Buescher, Manager
125 EAST 50th STREET • NEW YORK

STEEL is chosen again by those who discriminate in Office Equipment . . .



Modern Steel Office Equipment in the Bank of Canada
Supplied by
THE STEEL EQUIPMENT CO. LIMITED
STEEL DESKS • STEEL FILES • STEEL SAFES • STEEL SHELVING
Factory at PEMBROKE, ONT. Sales Office at OTTAWA, ONT.
Agents and Stock in Every City

AIR CONDITIONED

of course—the largest area of modern hotel air conditioning is found in the world's largest hotel, where all the lobbies, dining rooms, meeting rooms, and a substantial number of guest rooms are air cooled—delightfully

STEVENS HOTEL CHICAGO

On Michigan Avenue
Overlooking Chicago's natural air-conditioner—Lake Michigan

A WEEK'S REST
in One Night's Sleep

* Sink into a Hotel Cleveland bed and . . . you'll . . . *rest.* You wake up eight hours later, more refreshed than you ever expected to be from a night away from home.

You pop into a glistening tub or shower . . . you're whisked downstairs to a delicious breakfast . . . you step out the door into the very heart of Cleveland, next door to everyone and everything you want to see.

Hotel Cleveland—adjoining the Union Passenger Terminal—is Cleveland's most convenient hotel. And it's Cleveland's most *comfortable.* On your next trip you might as well *enjoy* your stay.

HOTEL CLEVELAND
Cleveland

WHEN YOU TRAVEL
—carry money safely, conveniently. Ask any Canadian Pacific Agent or most banks for—
Canadian Pacific Express
TRAVELLERS CHEQUES

NEW YORK, The Next Stop?
If New York is your next stop, you'll want to know about The Shelton Hotel.
The Shelton provides its guests with "added attractions", at no added cost, among them are the famous Shelton swimming pool, gymnasium, library and solarium.
Furthermore, The Shelton is in the Grand Central zone, considered the best location in New York.
RATES $3 per day single
SHELTON HOTEL
LEXINGTON AVE., at 49th ST.
NEW YORK

Banking

Pound Pegging Rumors Stir Exchange Markets

War Debt Plan Suggested as Possibility Behind Reported Move to Let Pound Slip to $4.86—Canada Would Benefit

By RONALD A. McEACHERN
Staff Writer, The Financial Post

Exchange markets are again jittery and this time the reason seems to be a stabilization rumor, rather than the usual war scare or inflation threat. As currently reported, the rumored policy offers very pleasing possibilities for Canadian business.

Great Britain is said ready to let the pound sterling slip back to its traditional relation with the U.S. dollar at 4.86.

What does this mean for Canada? With the pound kept at 4.86 or in a very narrow range around that mark, one of the main hazards in Canada's giant export trade would be eliminated. The Canadian seller abroad would know within a few dollars how much his bargain would net him.

The move would also encourage the import of capital. The British investor who thinks in terms of yields more than in speculative opportunity will have a very different view about investing in this country when he can buy Canadian securities at $4.86 to the pound rather than $5. On a yield basis, that difference is important.

Important for Golds

For the gold mining market the reported scheme would be important as giving the best assurance yet offered that United States will not reduce the price of gold. At the same time, of course, it goes a long way to kill the hope of the gold stock investors that Mr. Roosevelt will, before long, increase the price. But stabilization of the gold stock market is an achievement not to be scorned.

Reasons which would justify stabilizing the pound at a lower level are the impending Anglo-American trade treaty, plus the armament policy of the Chamberlain Government. That policy to date has involved such diverse activity as buying armaments and gas masks, storing up great quantities of food and "burying" a large hoard of gold in Canada.

The rumored "stabilization" of the pound fits very well into that policy. First because it will likely mean that once again Britain can float government loans in United States, most desirable situation in war time. America's Johnston Act rules that until European nations pay their last war debts, they can't raise more money in America.

By lowering the value of the pound, Britain's war debts to United States are lowered accordingly. The rumor, therefore, carries the hint that some plan for repayment may be under way.

Boost for Trade

A cheaper "stabilized" pound would also be of great importance to trade. It is true that the pound-U.S. dollar price has been kept very level for the past several years, but if the rate were established within still narrower limits, the currency hazard for export business would be almost eliminated.

Further advantage to Anglo-American trade would be found in the cheaper pound. Britain now has tremendous armament orders to hand out. In war time United States has wheat, textiles, scores of commodities Britain would want in addition to armament. With a cheaper pound, there is an immediate advantage because Britain could immediately make better deals with American industry.

Outlet for U.S. Capital

The scheme would not be nearly so one-sided as first glance might indicate. America has billions of dollars of idle capital. So far every scheme the Roosevelt Government has devised has failed to get this capital to work. British orders in United States and British Government loans could be expected to employ millions of dollars of now idle U.S. funds.

Furthermore, United States might get her British war debts paid. This is important almost entirely for its effect on public opinion. Formal treaty of alliance between Britain and America is not to be expected. But both governments have dropped enough hints to make it very clear that they want to work together so far as they can carry with them mass consent. If the ugly war debt situation were cleared up between the two countries, much steam would be let out of the American isolationists.

Hence for Britain, paying the war debt might be good business. It would remove political controversy in the United States. It would reopen America as a vast supply of loans and it would tend to make America the back-door arsenal, granary and workshop for a Britain at war.

If we discern correctly what is in the mind of the engineers of the reported move, it is a very astute political and economical manoeuvre, with enough apparent advantages for both parties to help put it over with the voters.

How well founded is the rumor that some such scheme is under consideration or now in process of fulfillment?

Decline of Pound

Best evidence is what has been happening to the pound during the past week. Almost continual decline. And when the pound declines everybody knows that Britain wants it to decline. The British exchange stabilization fund has worked almost perfectly since put into operation. There is no reason to expect that the fund has suddenly found pressure on the pound greater than it can withstand.

Furthermore, the price of gold in London has been steadily rising. This means that gold will not be shipped across the ocean to New York to help restore the pound price. Hence the rising London gold price is a further factor in permitting the pound to skid.

In one respect the "stabilization" rumor as reported so far may not be accurate. The pound is not likely to be pegged immediately at its old 4.86 price. It is more likely to be "stabilized" within a much narrower range. In other words, U. S. and British stabilization fund managers probably will be ordered to keep the up and down movements within much narrower limits. After a period in which the pound price remained around 4.86, it might then be expected that it would be definitely pegged at that level.

Foreign Exchange

AT TORONTO AND MONTREAL

U. S. Dollar	High	Low
July 9	1.00¾	1.00$\frac{11}{16}$
July 8	1.00$\frac{11}{16}$	1.00$\frac{11}{16}$
July 7	1.00$\frac{11}{16}$	1.00¾
July 6	1.00$\frac{11}{16}$	1.00¾
July 5	1.00$\frac{11}{16}$	1.00$\frac{11}{16}$
July 4	1.00$\frac{11}{16}$	1.00$\frac{11}{16}$

U. K. Pound	Closing	Last Year
July 9	4.97½	4.96⅞
July 8	4.97⅞	4.96¼
July 7	4.97¼	4.96½
July 6	4.97⅞	4.96¾
July 5	4.98½	4.95½
July 4	4.99½	4.95⅛

Other Currencies, July 9

Country	Rate	Country	Rate
Australia	3.98	Italy	.0530
Belgium	.1705	Japan	.2903
Czecho.	.0349	Jugoslavia.	.0236
Denmark	.2222	N. Zealand	4.02
France	.0279	Norway	.2501
Germany	.4054	S. Africa	5.01½
Greece	.0091½	Sweden	.2567
Holland	.5555	Switzerland	.2304
Hungary	.1994	Hong Kong	.3113
India	.3717		

Staff Changes

The Bank of Toronto announces the following staff changes:

H. E. BURNS, formerly manager at Creemore, Ont. to be manager at Toronto, Dundas and Roncesvalles.

H. R. WARREN, formerly manager at Toronto, Dundas and Roncesvalles, to be manager at Toronto, Queen & Parliament.

G. B. McKAY, formerly manager at Toronto, Queen and Parliament, retiring on pension.

J. J. WINSBY, formerly supervisor's department, head office, becomes manager at Ottawa.

G. C. GARDNER, formerly manager at Ottawa, retiring on pension.

M. E. KERR, formerly Western department, Winnipeg, becomes manager at Preeceville, Sask.

G. KAY, formerly manager at Preeceville, to be manager at Hodgeville, Sask., in succession to F. J. GOLDSMITH.

The Bank of Nova Scotia announces the following staff changes:

W. E. MacDONALD appointed manager at Bank and Fourth Sts., Ottawa, succeeding A. C. GUNN, retiring on pension.

A. S. MacKENZIE appointed manager at Caledonia, N.S.

T. L. C. McMASTER, appointed accountant at Smiths Falls, Ont.

The Royal Bank of Canada announces the following staff changes:

A. C. HUTCHISON, formerly manager, Digby, N.S., goes to Grand Falls, N.B., as manager.

R. B. MURRAY, formerly manager, Bear River, goes to Digby, N.S., as manager.

A. L. PUTNAM is appointed manager at Vancouver, Mt. Pleasant.

J. H. COLEMAN, formerly accountant, New Waterford, goes to New Glasgow, N.S., as accountant.

H. R. McCLUNG, of Rapid City, Man., retired on pension June 30.

Bank of Canada Weekly Statement

Little of business significance appears to have taken place with the Bank of Canada during the week to July 6, according to the regular weekly statement. As expected, holdings of U. S. dollars and sterling are being reduced. Investment holdings are almost unchanged. There is a $2.6 millions increase in notes in circulation—an item which is now probably starting a long rise to meet wheat crop needs.

Balance Sheet

Liabilities	July 6 1938 $	June 29 1938 $
Capital paid-up	10,100,000	10,100,000
Notes in circ.	156,533,323	153,995,061
Rest fund	1,348,415	1,348,414
Depos.: Dominion	22,076,359	20,693,783
Banks	190,444,186	194,766,310
Other	2,077,610	1,598,146
Total deposits	214,598,155	217,058,239
All other liabs.	2,493,567	2,481,624
Total liabs.	385,073,460	384,983,338
Assets		
Reserve: Gold	181,213,507	181,662,933
Res. in sterling and U. S.	29,677,338	31,359,512
Other curr.	1,229	1,228
Total reserve	210,892,074	213,023,673
Subsidiary coin	329,533	371,368
Investments:		
Dom. govt. short	113,581,238	113,724,522
Other Dom. govt.	52,323,049	52,086,095
Other secs.	1,011,116	1,013,625
Total invest.	166,915,403	166,824,242
Premises	1,638,304	1,634,080
All other assets	5,298,146	3,129,974
	385,073,460	384,983,338
Reserve ratio	56.82%	57.41%

Bank Chat

Canadian banks and their customers have been having a good deal of trouble with a Mexican provincial bank note issued in that country during some revolution.

The notes look not unlike the Canadian bills and are apparently fairly easily passed.

Bankers here blame race-track followers who follow the ponies up from the South in springtime and apparently use this as a convenient little sideline.

* * *

Again, Mr. Aberhart is asking for trouble.

He threatens to establish his own banking system. A glance at the record of provincial banks is not altogether reassuring. Banking is a skilled profession for which governments are anything but fitted. Provincial banks have found it much safer to confine their operations to accepting deposits. The loan business they have wisely avoided.

Mr. Aberhart's record would not indicate that he will show any such moderation.

* * *

The Bank of Montreal is understood planning the erection of a new building for its branch at Coolbrook and Queen Mary on vacant land.

* * *

Another bank manager makes a speech. He is Ernest Jones, manager of the Saskatoon branch of the Bank of Montreal. Speaking before the Kinsman Club at their weekly dinner, Mr. Jones made it plain that there is nothing mysterious about the banking business. This is public relations at its best.

* * *

Richard J. M. Webb, veteran of the Riel rebellion and former bank manager died recently at London, Ont. in his 74th year.

* * *

Bogus Travellers' Cheques

Counterfeit travellers' cheques, which are creating a good deal of heart-burning in American bank centres, have not yet, so far as The Financial Post can discover, created difficulty in Canada.

It is quite probable, however, that with summer tourist business, not a few hotel, restaurant, filling station and other enterprises of this type will be victimized.

Counterfeit travellers' cheques are being passed on banks with some success in the United States. But with not very much excuse. Only four United States banks issue them, Bank of America, San Francisco, First National of Chicago, Mellon National at Pittsburgh and National City at New York. In addition to these are the travel companies, American Express and Thomas Cook & Son.

With such a great host of banks in the United States, home counterfeiters are successfully putting over these cheques by inserting names of banks which do not issue travellers' cheques or concocting some impressive name for a bank which does not exist at all, such as featured recently, the "Consolidated National Bank of San Francisco."

The Canadian banks issuing travellers' cheques are Imperial, Dominion, Royal, Montreal, Barclays, Toronto and Commerce. Notice that The Bank of Nova Scotia does not issue its own travellers' cheques. It sells Canadian Pacific Express and American Express cheques.

The list of "good" travellers' cheques is so short that squeezing out the crook should be fairly easy.

Bank Debits Down 11%

Declines for May Shown by Every Economic Area in Canada

Payments by cheque in the 32 clearing centres showed a decline of slightly more than 11% in May from the same month of last year, according to the Dominion Bureau of Statistics. Declines were shown in each of the five economic areas.

Debits in the Maritimes and Quebec dropped 8.4% and 10.4%. Seven of the 13 centres in Ontario recorded declines. Toronto was 11.6% below the level of May last year. The aggregate for Ontario showed a decline of 6.2%. Six of the 10 centres in the prairies were lower, the aggregate for the economic area being more than 20% below last year's levels. Decline in Vancouver was 15½% while a drop of 13% was recorded for the three centres of the province. Dominion total was $2,462 millions against $2,769 millions in May, 1937.

Five-month Record

Bank debits in the 32 clearing centres showed a decline of nearly $3½ billions in the first five months of the present year against the same period of 1937, or 22½%. Declines were shown in each of the economic areas in this comparison.

The percentage of bank debits to the various classes of deposits was 102 in May against 116.2 in the same month of last year. A moderate increase was shown in deposits. The index of bank debits after seasonal adjustment was 90.4 in May against 100.5 in the preceding month.

Debits to Individual Accounts
(In millions of dollars)

	May 1938 $	April 1938 $	May 1937 $
Maritimes			
Halifax	26.3	25.3	29.2
Moncton	9.1	8.8	9.8
Saint John	17.8	16.3	18.9
Total	53.2	50.4	58.0
Quebec			
Montreal	742.1	701.1	805.4
Quebec	52.4	53.4	81.2
Sherbrooke	6.8	6.7	7.1
Total	801.3	761.2	893.7
Ontario			
Brantford	9.5	9.0	10.7
Chatham	7.6	8.2	7.6
F. William	5.4	4.9	4.9
Hamilton	50.8	53.9	58.9
Kingston	6.1	5.4	6.1
Kitchener	12.4	10.7	12.6
London	32.5	30.7	34.5
Ottawa	134.4	108.8	111.7
Peterboro	6.9	5.7	5.6
Sarnia	5.9	5.9	6.3
Sudbury	7.6	7.1	7.3
Toronto	801.4	806.3	906.5
Windsor	36.0	36.8	42.6
Total	1,115.6	1,093.4	1,215.3
Prairies			
Brandon	2.8	2.7	2.2
Calgary	44.7	47.6	52.9
Edmonton	30.6	35.8	36.3
Lethbridge	4.9	4.2	3.5
Medicine Hat	1.9	2.0	1.9
Moose Jaw	5.2	4.9	7.6
Prince Albert	2.1	2.1	2.2
Regina	38.2	59.0	34.4
Saskatoon	9.4	9.5	11.2
Winnipeg	199.6	185.9	280.0
Total	344.4	353.6	432.3
B. C.			
New Westminster	6.0	5.9	6.2
Vancouver	116.5	113.4	137.8
Victoria	24.8	23.5	25.3
Total	147.4	142.8	169.4
Total for Canada	2,461.9	2,401.4	2,768.8

New Scrip Plan Seen in Alberta

Second Experiment With Funny Money Definitely Indicated

From Our Own Correspondent

EDMONTON.—The new medium of exchange which Premier Aberhart has been promising to audiences in southern Alberta during a speaking tour of his constituency of Okotoks-High River will be scrip or token money, it is learned on reliable authority. The exact form of the scrip has not been decided, nor have details been settled on the scope of the issue.

Unlike the "prosperity certificates" issued in Alberta's 1936 scrip venture, the new token money will not require stamps from the holder. The scrip will be used, as in 1936, to pay for road work, it is intimated, and it is suggested that another use will be to cover in part the civil service payroll.

Little enthusiasm is evident for the Social Credit Government's second venture in scrip. Reason ascribed to another venture at the present time is, in general, the need of the Aberhart administration to launch an economic experiment that would bolster its waning popularity with the public and, in particular, the demands of the recent Social Credit caucus for definite action.

Weekly Bank Clearings

	July 7 1938 $	Change Year ago %	June 30 1938 $
Halifax	2,837,209	—22.8	2,240,786
Saint John	2,256,062	—12.0	1,639,671
Moncton	748,360	—27.0	921,806
Sherbrooke	859,985	+ 2.7	647,057
Quebec	6,297,864	— 8.7	3,660,069
Montreal	121,100,409	—25.2	119,251,547
Ottawa	24,372,280	—18.1	14,825,174
Kingston	680,119	—16.0	507,438
Peterborough	743,123	—14.6	586,496
Toronto	114,168,209	—23.5	119,139,440
Hamilton	5,118,981	—43.2	4,983,164
Kitchener	1,168,266	—14.2	964,433
Brantford	1,179,708	—14.5	898,499
London	3,237,181	—13.7	2,813,796
Chatham	649,798	— 1.9	490,686
Sarnia	506,109	—14.6	411,523
Sudbury	1,020,003	— 9.6	1,128,668
Windsor	2,960,957	— 9.4	2,568,331
Fort William	777,631	—20.1	608,788
Winnipeg	27,609,343	—41.6	24,028,388
Brandon	391,071	—11.6	339,242
Regina	3,695,225	—32.7	2,641,079
Moose Jaw	584,652	—26.5	414,119
Saskatoon	1,357,300	—19.6	1,080,480
Prince Albert	317,311	—23.9	263,994
Edmonton	4,247,833	— 2.3	3,630,151
Calgary	4,888,031	—23.0	4,860,041
Medicine Hat	231,013	—26.3	182,210
Lethbridge	467,598	— 9.4	372,322
N. W'minster	650,560	—27.0	656,981
Vancouver	18,340,575	—21.1	16,152,037
Victoria	1,899,288	—16.5	1,666,282

Monthly Bank Clearings

	June 1937 $	June 1938 $
Saint John	7,993,042	8,207,941
Moncton	3,937,790	3,590,994
Sherbrooke	3,174,609	3,263,902
Quebec	21,052,923	21,157,425
Montreal	459,404,370	678,516,667
Ottawa	84,403,598	79,026,120
Kingston	2,674,311	2,494,371
Peterborough	2,882,766	2,594,377
Toronto	551,949,155	543,545,822
Hamilton	24,356,720	22,521,194
Kitchener	5,115,999	4,575,679
Brantford	4,305,824	3,998,047
London	12,892,938	13,973,595
Sarnia	2,327,344	2,396,213
Sudbury	4,222,994	4,592,641
Fort William	3,677,781	3,245,799
Winnipeg	160,401,468	117,510,636
Brandon	1,345,120	1,457,833
Regina	15,586,996	13,116,364
Moose Jaw	2,563,613	2,916,721
Prince Albert	1,494,038	1,227,590
Edmonton	16,733,086	16,820,505
Calgary	22,859,251	21,434,510
Medicine Hat	904,439	827,118
Lethbridge	1,830,551	1,772,364
New Westminster	3,060,980	2,732,247
Vancouver	84,014,608	70,617,497
Victoria	7,781,989	7,462,165

A FULL MEASURE

The officers of this Bank realize that its success depends entirely upon the welfare and goodwill of its clientele. It has ever been its policy to truly deserve this goodwill—not only by friendly business relations, but by fullest measure of service in every department of banking.

THE BANK OF TORONTO
Incorporated 1855

1832 1938

In London

Clients having banking transactions in the United Kingdom are cordially invited to avail themselves of the facilities of our London, England, Branch, 108 Old Broad Street, E.C.2.

World-wide facilities in every department of banking

The BANK of NOVA SCOTIA
OVER A CENTURY OF BANKING SERVICE

AUSTRALIA and NEW ZEALAND.
BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
Paid-up Capital £8,780,000
Reserve Fund 6,150,000
Reserve Liability of Proprietors 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1937 £128,145,000
A. C. DAVIDSON, General Manager.
890 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea, and London. The Bank transacts every description of Australasian Banking Business. Wool and other Produce Credits arranged.
HEAD OFFICE: GEORGE STREET, SYDNEY.
London Offices:
29, THREADNEEDLE STREET, E.C.2; 47, BERKELEY SQUARE, W.1.
Agency arrangements with Banks throughout Canada.

THE CONTINENTAL LIMITED

TO THE ROCKIES AND THE PACIFIC COAST
WINNIPEG - SASKATOON - EDMONTON
JASPER PARK - VANCOUVER - PRINCE RUPERT

Around the clock, the *Continental Limited* is your hospitable home on wheels. The roomy observation-library-buffet car invites you to lounge at your ease . . .

— appetites are tempted by delicious à la carte and table d'hôte meals — courteously served menus that appeal to every taste and purse . . .

— standard sleeping cars cater to your every wish for complete rest — berths and drawing rooms invite sleep by night, offer comfort by day.

Here is the scenic high spot of the Jasper route of the air-conditioned *Continental Limited* — Mt. Robson, highest peak in the Canadian Rockies. The *Continental Limited* leaves Montreal 7.30 p.m. E. S. T. daily. . . . See the Rockies at their best *by day.*

PLAN to stop off at JASPER National Park in the Canadian Rockies. All-Expense Tours covering stays of one to four days at Jasper Park Lodge permit visitors to cover the most ground in the least time and at the least expense. One or more motor drives through this spectacular mountain terrain is included in each Tour.

CANADIAN NATIONAL
ALL THE WAY

Descriptive booklet and full information from any Canadian National Agent.

For safety and convenience
USE CANADIAN NATIONAL EXPRESS MONEY ORDERS

Position of Chartered Banks of Canada as of May 31, 1938, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Deposits by and Bal. Due to Dominion Government $	Deposits by and Bal. Due to Provincial Governments $	Advances from Bank of Canada secured $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits Elsewhere▲ $	Bal. due to other banks in Canada $	Due to Banks in U.K. $	Due to Banks Elsewhere $	Bills Payable $	Letters of Credit outstanding $	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $
Montreal	22,097,166	32,381,850	6,079,961	....	176,180,930	436,500,636	60,572,888	2,746,269	2,023,766	6,748,598	62,039	7,836,660	2,364,331	728,277	39,000,000	36,000,000	831,323,377
Nova Scotia	9,092,917	2,328,763	1,486,393	....	42,541,753	150,697,190	46,627,161	2,799,106	345,738	2,012,436	35,502	5,270,342	106,266	363,244	24,000,000	12,000,000	299,706,817
Toronto	3,975,604	3,645,315	250,120	....	34,538,838	83,249,649	185,645	2,128,819	595,859	2,112,307	....	1,190,100	....	150,501	9,000,000	6,000,000	147,022,761
Provinciale	2,955,714	213,269	2,390,492	....	7,604,105	39,720,783	173,717	966	....	172,260	....	117,184	2,943	64,774	1,000,000	4,000,000	58,416,211
Commerce	17,451,304	6,082,567	15,428,219	....	139,091,912	322,172,437	55,927,932	2,483,233	1,529,971	13,941,987	15,803	18,563,274	....	19,198	20,000,000	30,000,000	642,707,843
Royal	26,659,695	8,360,626	13,536,365	....	176,202,709	319,242,380	232,857,210	386,602	1,585,424	12,425,851	99,403	19,453,233	71,634	714,659	20,000,000	35,000,000	866,595,799
Dominion	5,143,954	2,019,159	885,260	....	35,022,432	74,604,505	3,294,794	4,032,186	1,395,843	1,208,496	....	2,629,846	250,514	176,039	7,000,000	7,000,000	144,663,034
Nationale	4,214,564	806,280	506,376	....	23,113,467	103,310,476	848,245	1,302,722	33,361	995,015	22,265	620,176	88,150	144,182	5,000,000	7,000,000	148,005,285
Imperial	5,358,073	3,109,804	7,542,443	....	33,226,846	91,236,229	494,431	1,541,175	578,258	2,068,585	....	862,837	....	3,296	8,000,000	7,000,000	161,021,981
Barclay's (Canada)	349,730	58,439	73	....	2,415,345	4,763,579	3,324,104	372,715	3,077,494	2,354,012	....	1,414,390	....	....	750,000	1,500,000	20,379,884
Total	97,298,721	59,006,072	48,105,702	....	669,938,337	1,625,497,864	404,306,127	17,793,793	11,165,714	44,039,547	235,012	57,958,042	2,883,838	2,364,170	133,750,000	145,500,000	3,319,842,992

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorized $	Capital Subscribed $	Last Dividend %	*Loans to Directors and firms of which they are partners $	Average Notes and deposits with Bank of Can. $	Greatest amount of Notes in Cir. $
Montreal	50,000,000	36,000,000	8	561,996	64,235,961	22,973,259
Nova Scotia	15,000,000	12,000,000	12	2,893,438	20,799,000	9,449,472
Toronto	10,000,000	6,000,000	10	828,114	19,774,701	4,121,269
Provinciale	5,000,000	4,000,000	6	175,375	3,501,737	3,076,289
Commerce	50,000,000	30,000,000	8	5,117,379	46,809,804	18,552,491
Royal	50,000,000	35,000,000	8	1,545,108	56,864,743	27,360,035
Dominion	10,000,000	7,000,000	10	644,986	11,831,571	5,389,706
Nationale	10,000,000	7,000,000	8	127,707	9,547,737	4,214,564
Imperial	10,000,000	7,000,000	10	602,672	10,959,862	5,482,705
Barclay's (Canada)	1,500,000	1,500,000	....	10,000	972,102	368,600
Total	211,500,000	145,500,000	....	12,506,775	247,287,218	100,990,340

▲Of this amount, $48,856,264 represents deposits in Canada in currencies other than Canadian, carried under demand and savings deposits in Canada prior to Aug., 1935. *And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada $	Gold and Subsidiary Coin Held Elsewhere $	Notes of Bank of Canada $	Deposits with Bank of Canada $	Notes of other Banks $	Govt. and Bank Notes other than Canada $	Cheques on other banks $	Balances due from other banks in Canada $	Due by banks in U.K. $	Due by banks elsewhere $	Govt. sec. short term $	Gov. sec. long term $	Canadian municipal securities $	Public sec. other than Can. $	Other bonds and stocks $
Montreal*	1,096,088	116,468	15,120,094	42,565,953	1,666,333	569,799	28,243,923	956	15,369,104	21,357,297	171,280,314	187,625,797	34,418,545	7,498,348	35,036,479
Nova Scotia	366,886	1,197,391	4,176,492	15,964,206	454,750	4,632,184	9,319,645	....	3,160,237	9,781,004	30,200,092	66,128,893	12,331,578	795,465	13,231,565
Toronto	218,367	....	2,177,109	17,186,930	280,760	72,053	7,213,868	....	42,488	1,843,723	13,019,097	44,453,292	8,499,958	34,802	3,963,767
Provinciale	230,334	....	1,461,310	3,118,547	293,225	64,544	1,990,953	800,887	7,834	97,690	3,659,874	9,845,347	11,587,473	....	2,367,190
Commerce†	899,843	179,290	7,440,039	39,812,239	973,470	1,126,040	17,641,127	2,055	1,107,988	14,639,000	100,860,380	128,843,870	10,867,877	27,156,443	23,608,136
Royal‡	1,384,940	3,253,429	10,170,495	46,806,738	1,406,486	18,214,587	27,212,806	4,742	16,001,136	33,910,457	91,269,111	159,059,392	10,581,047	26,889,866	33,008,513
Dominion	277,342	382	2,875,978	11,115,895	426,380	96,262	7,166,628	100	503,565	1,763,787	8,306,637	38,020,199	4,665,811	....	3,359,634
Nationale§	590,705	378	3,816,380	6,903,998	491,845	70,965	3,173,986	939,777	24,266	1,002,786	7,652,682	23,152,268	16,665,799	142,962	9,215,655
Imperial	334,590	....	4,871,341	5,003,909	413,770	92,423	6,271,624	604,562	430,843	1,723,016	17,177,210	37,720,262	5,322,783	....	109,023
Barclay's (Can.)	2,919	....	76,375	652,564	9,240	12,010	283,860	2,035,222	3,135,263	780,225	4,175,798	5,638,341	10,407	....	....
Total	5,452,012	4,747,348	52,185,613	189,130,979	6,416,259	24,950,867	108,518,420	4,388,301	39,782,724	86,898,985	447,541,195	700,487,661	114,951,278	62,517,886	123,899,963

NAME OF BANK	Call loans in Canada $	Call loans elsewhere $	Current loans in Canada $	Current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non-Current loans $	Real estate other than Bank premises $	Mortgages on real estate $	Bank Premises $	Deposit for note circulation $	Other assets $	Total assets▲ $
Montreal*	5,575,713	24,872,521	155,485,112	14,211,313	1,243,929	41,158,113	2,034,078	565,932	592,338	13,900,000	1,350,011	1,978,014	832,769,244
Nova Scotia	6,418,811	2,163,430	80,875,739	16,245,672	686,863	6,748,147	513,379	....	99,515	6,588,879	531,594	2,684,198	300,566,969
Toronto	2,616,909	....	36,865,955	....	....	5,328,690	103,821	....	40,534	3,493,591	236,277	....	148,882,100
Provinciale	4,528,268	....	13,418,469	....	111,436	1,592,714	85,118	620,778	345,958	2,094,171	176,530	88,020	58,703,864
Commerce†	15,280,571	18,178,903	142,735,936	19,488,492	6,790,951	20,250,970	3,356,377	2,619,333	1,550,083	14,682,701	1,230,000	4,234,544	644,059,955
Royal‡	13,617,112	10,146,069	191,895,526	109,259,808	1,306,643	17,995,537	2,997,314	2,648,682	801,673	14,974,540	1,550,000	4,123,608	869,943,513
Dominion	5,106,965	2,479,504	46,294,777	3,108,622	....	500,461	340,245	79,506	30,808	5,718,257	336,975	194,792	145,399,280
Nationale§	6,102,411	51,312	46,521,027	30,376	1,255,874	11,550,982	278,357	1,595,098	599,581	5,685,025	259,620	260,656	148,654,960
Imperial	5,828,967	....	53,983,002	....	6,366,377	7,598,779	316,716	245,206	359,969	6,030,698	312,701	124,067	162,154,683
Barclay's (Can.)	630,660	....	1,053,108	....	....	....	10,191	....	....	450,000	17,712	....	20,388,293
Total	65,706,387	57,891,739	769,128,651	162,344,283	17,762,073	112,724,402	10,035,596	8,374,535	4,420,457	73,617,862	6,001,420	13,687,899	3,331,522,886

---

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a local incorporated company and the figures are incorporated in the above Return.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return.—Footnote to Banque Canadienne Nationale return.

▲Total assets include $57,958,042 letters of credit outstanding as shown in liabilities.

Week in Mining

Good News Maintains Interest in Mine Shares

Golds Show Improvement on Week's Record as Result of Reported Property Developments—Base Metals Quieter—Interest Revived in Silver

Good news from various mining properties has served to maintain interest in the market for mining stocks. Reports of favorable ore developments, mills to be enlarged and new ones to be built, have had an encouraging effect and levels of both gold and base metal shares have improved slightly during the week.

In the case of the latter group it is true that there has been a slowing up of the advance in the metal markets. It has resulted, however, more in some shading from the higher levels reached than any real weakness. The more cheerful sentiment regarding the fall outlook for business is regarded as a constructive feature.

Recent incidents indicating progress of the mining industry include developments at Pickle Crow, MacLeod Cockshutt, Preston East Dome and Chesterville Larder Lake where important new ore has been opened up recently. Sylvanite has announced a 50-ton increase in its mill while Uchi is preparing to build. Equipment and material is on the way to the Negus property. Privateer has ordered its plant. Aldermac's ore body is developing well and Waite Amulet has announced an increase in mill tonnage. Not all the news has been favorable, of course, but good news has far outweighed bad.

* * *

Base Metals and Silver

Outside developments have not been so prominent. Base metal markets have been quieter and there has been a slight shading in prices but holders show no desire to sell and low bids have brought little response.

Interest was revived in the silver situation by the news that the United States Government might extend its buying of Chinese silver beyond July 15 when the arrangement was to expire.

Considerable Chinese silver is coming to the United States by way of London where it was shipped when the Japanese attacked Shanghai. Outside of taking the metal off the market it is not thought likely to have any particular effect, however.

* * *

An Unfair Tax

Mining men generally are interested in a piece of legislation which was passed on the last day of the session of Parliament. This bill is entitled, "An Act to Amend the Income War Tax Act." While it does not mention mining companies specifically, it is believed to be aimed at them. It provides that where a company distributes assets, particularly bonds, stocks or other securities to its shareholders without sale or below the fair market price, the company may be deemed to have sold the assets in question and to have received income subject to tax. The portion received by the individual shall also be deemed to be a dividend and therefore subject to income tax.

Mining companies and syndicates, as is well known, often hand over raw claims to developing companies in exchange for shares in the new company formed. If the claims rise in value and the shares received for them rise accordingly, they will, on distribution, become subject to income tax. On the other hand, if the vendor had held his claims and seen them rise to higher values they would not be taxable as the advance would be regarded as a capital gain. The effect of such legislation will be to discourage pooling of vendor shares as the vendors will seek to have their stock turned over to them before they become taxable. The bill applies to income of the year 1936, which will give those who received such distributions since that time a rude surprise.

* * *

Mining Stock Index

The general price index of 24 mining issues, compiled by the Dominion Bureau of Statistics, rose 2.5 points to 148.5 during the week ended July 7. Sharing the buoyant tone of industrials, the base metal index staged an advance of 10 points on the opening day, rising from 270.6 on June 30 to 280.6 on July 4. Prices moved irregularly in the remaining days of the week, resisting fairly well the stress of profit-taking, with the result that the index closed at 279.3 on Thursday, July 7. Golds followed much the same pattern, but fluctuations were narrower. From 115.4 on June 30 the gold series mounted to 116.8 on July 4, and stood at 116.9 on the 7th. The average for golds was 116.9 for the week ending July 7 as compared with 116.4 for the preceding week, while corresponding base metal averages were 279.2 and 269.2. The general index of mining stock prices mounted from 146.0 to 148.5.

McDougall Net Is $24,834

Success of Sunset No. 1 Well Important to Company

In the year ending March 31 last, McDougall-Segur Exploration Co. of Canada showed net profit of $24,834 after writing off depreciation and estimated income taxes. The year's most encouraging development, from the company's viewpoint, was the bringing in of Sunset No. 1 well as a large producer. This well, after acidizing, had an open flow of 2,564 bbls. on the 11th day.

Under present regulations the Sunset Co. is allowed to produce only 632 bbls. daily. At June 30 last, Sunset No. 2 was drilling at 5,616 ft., and should be completed late in August, Mr. McFarland says. The hole is reported in splendid condition and is logging satisfactorily. McDougall-Segur owns 246,083 shares in the Sunset Co. and will have a 2½% gross royalty in the No. 2 well.

McDougall-Segur also holds a 5% net trust royalty in the Vulcan-Brown well, which was completed this month.

Income and Surplus Account

	Apr. 1, 1937 to Mar. 31, 1938 $	Apr. 1, 1936 to Mar. 31, 1937 $
Bal. from produc.acct.	2,172	6,015
Add: Royalties rec'ved	*33,628	‡20,317
Less: Dom. Govt. roy.	......	53
	35,800	26,279
Add: Bank int. rec'ved	492	352
Transfer fees rec'ved	322	920
Div. on Royalite shs.	6,600	8,250
Total net income	43,214	35,896
Less expenses:		
Office & gen. exps.	3,867	6,354
Corp. tax & fees	167	274
Legal fees	188	889
Directors' fees	880	1,340
Deprec. of furniture (10% yr.)	90	74
Depr. plant & equip. (15% yr.)	3,422	3,647
Depr. casing in wells (15% yr.)	2,050	2,051
Depletion reserve	2,121	3,289
Short. of prev. bkpr.	......	557
Bad debts w/o	241	......
Net operating earnings	30,188	17,421
Estimated inc. tax	5,354	1,900
Net profit (& surplus)	24,834	15,521
Add: Prev. surplus	46,295	14,613
Profit on sale of secs.	......	46,161
Advances prev. w/o	1,710	......
Les: W/o adv., McDougall-McLeod Co.	......	30,000
Bal. carried forward	72,839	46,295

*Comprising $30,865 from Turner Valley Royalties, Ltd.; $13,038 from B. & B. Royalties, Ltd.; and $637 from Sovereign Royalties, Ltd.; less $11,135 written off for recovery of capital; and $247 from Widney Oils, Ltd., less $24 government royalty.

‡Including $24,958 from Turner Valley Royalties; $1,311 from B. & B. Royalties; $528 from Widney Oils, and $116 from Sovereign Royalties, less $6,956 written off for recovery of capital.

Tonnage, Grade Up At Seal Harbor Gold

During the year ended March 31 last, Seal Harbor Gold Mines, Goldboro, N.S., treated an average of 197 tons daily, with millheads running $3.26 per ton. Current production is at the rate of 220 tons daily, resulting in a reduction of operating costs to around $2.50 per ton, with average recovery of $4 per ton or better.

In the 4-week period ended June 18, last, recovery amounted to $24,681 and operating costs to $15,260, while in the previous period ended May 21 recovery was $19,775 and operating costs $14,502.

East Malartic Mines Disposes of More Stock

From Our Own Correspondent

MONTREAL. — East Malartic Mines reports that 106,475 additional shares have been taken up and paid for under subscription, making a total of 781,011 shares subscribed for and issued.

These shares form part of the one million additional shares of capital stock authorized by supplementary letters patent. There are now outstanding 3,781,011 shares, leaving 218,989 shares in the treasury.

Copper Mines In B.C. Seek Fresh Market

Trial Shipment Made to France — Japanese Demand Continues

OUTLOOK BRIGHTER

From Our Own Correspondent

VANCOUVER.—Rising prices for copper during the past few days is cheering news to an industry which last year contributed more than $5 millions to British Columbia's mining revenue.

Prices are still considerably below the levels prevailing last year, and government forecasters will be surprised if, even with increased volume of production, the 1938 returns for the copper industry are greater than last year but there is a feeling that long overdue buying demand is beginning to assert itself and if this view proves accurate considerably higher prices are in prospect.

On the Up Trend

The recent upturn in price finds Britannia Mining & Smelting Co. operating at capacity, turning out a maximum of 6,300 tons daily, the highest production ever attained. If the market continues to improve, a few alterations in plant could step up production to 7,000 tons daily.

Granby Consolidated Mining & Smelting Co., operating at Allenby, is hitting its full stride, too, and has been gradually increasing output. Although the plant, when reconditioned last summer to handle Japanese contracts, was designed to take care of 3,000 tons of copper ore daily, more than 4,000 tons are actually being fed into the mill every day.

Japan is buying every ton of copper concentrate that Granby can produce. Last week 3,000 tons were shipper from Vancouver. This week, the Norway Maru is taking a shipment of 4,000 tons, and on July 19, a cargo of 1,000 tons will move.

Because France's normal supply of copper has been interrupted by the Spanish war, British Columbia mines may find another profitable export market.

Britannia Mining & Smelting Co. made a shipment of 2,000 tons to France recently. It was a trial cargo in the form of pyrite, and whether it will be followed by substantial orders remains to be seen. However, the shipment is regarded as one of the most interesting of recent export developments in B. C. mining.

Rio Tinto Bottled Up

The great Rio Tinto mines, which have produced copper in enormous quantity, appear to be pretty effectively bottled up by the hostilities in Spain, and it is assumed that this stoppage of supply resulted in France's decision to experiment with B. C. copper. The purpose to which the copper is to be put is not known.

Although one of the lowest-grade copper bodies in the world, Britannia has continued to operate throughout the depression at close to capacity. During the period when the copper market was at its lowest the company went ahead with mining an ore body known to have a considerable occurrence of zinc. This was shipped to the Orient in the form of concentrates, and revenue helped to keep the company's income up when the normal course of the copper market would have pulled it severely down.

But the exploration of new ore bodies also revealed the fact that Britannia, once regarded as a straight copper property, possessed important values in gold. One section of the mine, low in copper but containing considerable gold, is now being developed, about 10,000 tons of ore being taken out every month. From the whole mine, about 1,000 ounces of gold are being produced every month.

Mining Company Options

Big Missouri Mines Corp.—At the annual general meeting held Apr. 30, shareholders passed a resolution authorizing directors to extend beyond July 1, 1938, for such time and upon such terms and conditions as the directors see fit the option granted to Messmore Kendell, Gustave H. Rainville and syndicate to buy shares of the company's capital stock at 50 cents per share. No meeting of directors has yet been held for this purpose; there remain under option 935,633 shares at 50 cents per share.

East Malartic Mines—Additional 106,475 shares have been taken up at $1 per share under agreement with Nesbitt, Thomson & Co., Dec. 18, 1937. To date, 781,011 shares have been taken up and the balance of subscription covers 218,989 shares at $1. Issued capital is now 3,781,011 shares.

Thompson Cadillac Mining Corp. — Option due June 30, 1938, covering 15,000 shares of capital stock at 27½ cents per share, has been firmly underwritten and 5,000 shares have been issued. Option agreement has been revised to cover 50,000 shares at 27½ cents per share, to be taken up and paid for on or before Aug. 19; 50,000 shares at 30 cents on or before Sept. 19, and 50,000 shares at 30 cents on or before Dec. 1.

St. Anthony Gold Mines—Extension of four months has been granted in connection with July 1 installment, covering option on 40,000 shares at 25 cents, and upon all subsequent installments under agreement with Old Colony Ltd. of Toronto, dated Nov. 20, 1937.

Dorval Siscoe Mines Ltd.—Default having been made in exercising June 1 option under agreement with Que-On Mines dated Nov. 27, balance of option has terminated. Company has entered into a new option agreement with Que-On Mines dated June 24, 1938, granting an option on 25,000 shares at 12 cents by July 28, 100,000 shares at 15 cents by Aug. 11, and 100,000 at 20 cents by Aug. 25.

British Dominion Oil & Development Corp. — Has purchased a petroleum and natural gas lease covering northwest quarter and L.S.D.'s 10 and 15 of sec. 18, twp. 15, r. 2 west of the fifth, subject to government royalty. Vendor received 7,140 n.p.v. shares as consideration.

Denison Nickel Mines — Has authorized sale and allotment of 250,000 shares at 20 cents to provide $50,000 for deepening the shaft to the 1,000-ft. level, which work commences immediately.

J.-M. Consolidated Gold Mines — July 9 installment (with 10 days' grace) covering 100,000 shares at 9 cents, under agreement June 9 with Federal Trading and Agency Ltd. has not been exercised; agreement has been terminated for default. Under date of July 7, company has entered into agreement with Jenkin Evans, Toronto, whereby 400,000 shares have been underwritten at 9 cents, payable $12,000 down (already received), $12,000 Aug. 8 and $12,000 Sept. 8.

Lapa Cadillac Gold Mines—July 1 installment, covering option on 23,000 shares at 50 cents, under agreement with H. R. Bain & Co. Jan. 18 has been taken up. Balance of agreement covers option on 25,000 shares at 60 cents, exercisable by Aug. 1, and 25,000 shares at 75 cents by Sept. 1.

Naybob Gold Mines—On June 28 issued 37,500 shares to Charles Berners as a "finder's fee" for obtaining underwriting and option agreement under which total of 720,000 shares has been purchased and a further 75,000 shares remain under option. Company also advises that it has issued 66,666 shares to Benjamin F. Crowley, New York; 10,000 shares to Davies, Richberg, Beebe, Busick and Richardson of Washington; 2,500 shares to Edward Gould, New York, and 10,000 shares to J. C. M. German of Toronto for legal services rendered in connection with registration and deregistration of the company's shares with the S.E.C., Washington, none of these parties having received any cash compensation for services rendered.

Pantapec Oil Co. of Venezuela—A record date for stockholders entitled to receive notice of, and to vote at, a special meeting of stockholders has been fixed as of the close of business, Thursday, July 14.

Payore Gold Mines—Has received $3,850, part of the July 1 installment of $5,500 under the underwriting clause of agreement May 25. Balance of installment has been extended to Aug. 1.

Bagamac Mines—July 1 installment, covering option on 25,000 shares at 30 cents, under agreement May 12 with Belledith Ltd., has not been taken up; agreement is in default.

Halcrow Swayze Mines — On Apr. 29, 290,745 shares were sold to Horace F. Stong and L. L. Steindler for $10,000. A cash payment of $5,000 was made; balance due by July 31 has now been paid, bringing issued capital to 2,500,000 shares.

Stadacona Rouyn Mines—Block of 182,209 shares has been issued at 70 cents per share to Dungan and MacMartin in full payment of a loan of $127,547 made to the company, bringing issued capital to 2,016,661 shares. Company advises that George Hammer, formerly with Noranda Mines, has joined the staff as assistant to Murray D. Kennedy, mine manager.

Astoria Quebec Mines — By agreement June 7, J. Stanley Clarke agrees to purchase 20,000 shares at 5 cents, payable within 10 days of filing with the Quebec provincial secretary copy of resolution authorizing sales to be sold at a discount, and receives option on further 980,000 shares at prices from 5 to 12 cents.

McVittie Kirkland Mines—By agreement June 1, W. E. Bailor receives option on 1,000,000 shares at prices from 2 to 8 cents.

Sanymac Mining & Development Co.—Under agreement June 1, optioned to Keith Securities 900,000 shares at prices from 7½ to 50 cents.

Bonroc Mining Co.—Is granted registration as securities issuer. Company incorporated June, 1938 (Que.)

Aurex Larder Gold Mines—Advises that John Daniel & Son Ltd. failed to take up on July 6 last 50,000 shares, as required by agreement Apr. 16.

Augite Porcupine Mines — Has received payment for balance of June 29 installment covering underwriting on 20,000 shares at 35 cents, under agreement with John F. Conroy, Jr., dated Dec. 3, 1937. This is the final payment under agreement.

Northern Empire Mines Co.—Final installment, covering an option on 10,000 shares at $7.50 per share, exercisable by July 11, has been taken up by A. E. Osler & Co. under agreement Feb. 28 last. There are no further options outstanding on any treasury shares.

Slave Lake Gold Mines — Payment of $2,500 has been received for 25,000 shares at 10 cents to apply on account of July 20 installment covering an option on 60,000 shares at 10 cents, under agreement June 13 last with H. M. Smillie.

Ward Lake Gold Mines—By agreement June 20, optioned to Gordon Jones 1,700,000 shares at prices from 10 to 30 cents. Ward Lake purchased 8 claims from Michipicoten Gold Mines for 500,000 shares at $6,500 cash, payable by Mar., 1939, and assumed a mortgage of $3,500, payable by Sept, 1938. Company agreed to purchase from W. A. Hesse the assets and properties of the former Parkhill Gold Mines for 800,000 shares, $47,500 cash payable by June, 1939, and the assumption of liens not to exceed $12,880. Ward Lake further agrees to pay to the trustee of Parkhill Gold Mines $1,500 a month for purposes of dewatering and maintenance charges until payment in full has been made.

News Concentrates

Buffalo Ankerite Gold Mines advises that June output was approximately $259,800 from 29,736 tons, an average recovery per ton of $8.73. May production was $247,813, and total production for the six months January to June is now approximately $1,502,991 from 180,562 tons, an average recovery per ton of $8.32.

* * *

Bralorne Mines reports June output at 8,560 oz. from treatment of 15,055 tons of ore. This compares with production of 8,520 oz. from milling of 15,107 tons in May last.

* * *

Cariboo Gold Quartz advises that June production amounted to 3,858 fine oz. from 8,394 tons of ore milled. At $35 gold recovery is valued at $135,030, indicating average recovery of $16.09 per ton. May production ran 3,749 fine oz., valued at $131,215, from treatment of 8,648 tons. Average recovery was $15.17.

* * *

Cline Lake Gold Mines began feeding ore to crushers July 5. It will take about 31 days to fill ore bins and saturate mill circuits before first bullion is turned out. As plant is broken in, it is planned gradually to increase daily tonnage from 100 tons daily to maximum capacity developed. Ore disclosures from underground developments continue to be quite satisfactory, company reports.

* * *

East Malartic Mines Limited reports construction of mill proceeding rapidly along with work on subsidiary buildings. Drifting at the 335-ft. level has been advanced with ore grading from $6.94 to $9.59. In a crosscut on this level main ore zone was encountered, 20.9 ft. of ore, it is reported, assaying $8.49. Some 553 ft. of horizontal diamond drilling north and south from 485-ft level indicated that the ore body continues to west without change of width or grade.

* * *

Howey Gold Mines advises that output for three months ended June 30 amounted to $304,300 from 133,142 tons milled, an average recovery of $2.28 per ton. Operating profit for quarter, before depreciation, taxes and predevelopment charges was estimated at $116,000. It is reported that the higher grade during the second quarter resulted from taking of more ore from upper levels.

* * *

Island Mountain Mines Co. reports that June output amounted to 1,513.28 fine oz. from 3,540 tons treated. At $35 gold, production was valued at $52,965, average recovery being approximately $14.96 per ton.

* * *

Pioneer Gold Mines of B. C. estimates June production at $169,000, with expenses of $66,000 before deducting depreciation, taxes and depletion. Gross income for May was $168,000 and operating costs $66,000, leaving operating profit of $102,000, before depreciation, taxes and depletion.

* * *

Reno Gold Mines production for fiscal year ended June 30 was about $759,514. April output was reported at $65,021, May output at $65,025 and June production at $55,008.

Siscoe Recovery Holds Up for June

From Our Own Correspondent

MONTREAL. — Siscoe Gold Mines reports June production of $206,172, compared with $206,717 in May and $220,656 in June a year ago.

Production last month was from 17,772 tons milled as against 18,531 tons handled in May and 17,004 tons in June last year. Mill-heads averaged $11.92 a ton, which compared with $11.40 the previous month and $13.49 in June, 1937.

O'Brien Earns $531,032 In Last Three Quarters

In the three quarterly periods, Oct. 3, 1937, to June 11, 1938, O'Brien Gold Mines made an estimated profit, after operating, exploration and diamond drilling expenditures, of $531,032, according to J. G. Dickenson, general manager. The company is deepening the main or No. 2 shaft from 1,540 ft. to 2,040 ft. The station on the new 14th level at 1,639 ft. has been completed, and three additional levels will be established at 125-ft. intervals.

During sinking, No. 4 vein was cut at 1,549 ft., where high-grade ore was disclosed. Within the next 5 ft. the vein rolled back into the north wall of the shaft, and was later cut while opening up the 14th level station. At this point, it showed width of 8-10 in. of quartz, with some visible gold. Below this level the vein resumed its southerly dip, and was again cut in the shaft at 1,710 ft. below the collar, but in a relationship much obscured by cross faulting. The shaft is now in greenstone formation north of the No. 4 vein.

Premier's Big Bell Mine Assured of Long Life

From Our Own Correspondent

VANCOUVER. — Big Bell, the western Australian gold property in which Premier Gold and American Smelting & Refining each have a 40% interest, is assured of a long life and every step in its development has been satisfactory, reports Dale Pitt, general manager, who has returned to Canada after four years "down under."

Mr. Pitt was manager of Premier during its golden era between 1919 and 1934. He has been in charge of the Big Bell operation since its beginning.

"We are producing about 6,000 ounces of gold a month, or about $200,000, and values are holding up very well," reported Mr. Pitt. "If we continue to put through 350,000 tons a year, we have eight or nine years' supply of ore, and so far we have only made calculations to the 500-ft. level. Indications are that the ore continues at depth; exploration to the 650 level show virtually the same nature and grade of ore."

deHavilland To Reorganize

British Company to Participate in Plan For New Capital

Details of the plan of capital reorganization that is being worked out for de Havilland Aircraft of Canada will not likely be available for some time, as the proposals might be changed considerably if plane orders are secured from Great Britain. P. C. Garratt, managing director, states that directors of the company are considering some form of capital reorganization to eliminate preferred dividend arrears and raise additional capital.

Authorized amount of class A and B shares will likely be increased, but it is not expected that any public offering of stock will be made, nor subscription rights offered to present shareholders. This would indicate that the British company will participate in the proposed refinancing. Any recapitalization plan must be approved by the English company, after it has been decided upon by Canadian directors, and it is not likely that the proposal will be ready for shareholders until the fall.

Operations at Capacity

It is understood that the company has no plans regarding plane expansion at present. Capacity operations are expected to continue for some time, because of a substantial order from England for airplane parts.

Present capitalization includes $370,500 in 7% preferred stock on which arrears were $47.25 a share at the end of last year. In addition, there are 25,000 class A $2 preferred, non-cumulative, and 5,000 class B shares, both carrying voting rights.

Gold Shore Mgr. Outlines Troubles

Suggests Programme to Correct Physical Difficulties

In a report issued by E. P. Sawyer, the new manager of Red Lake Gold Shore Mines Limited, a number of troubles from which the mine has suffered are set forth. They number in all 17. Most of these are physical, matters of equipment or the way in which the mine has been opened up. For instance, ore chutes are inadequate. Among the main difficulties mentioned are that there is insufficient development done and that there is no ore broken ahead of the mill.

Installation of a new hoist is expected to help considerably. It is suggested that the winze should be sunk for another 100 feet and that some diamond drilling be done to test the downward extension of the northern ore body.

If favorable conditions should be met with on the next level, then it will be necessary to consider a rather large programme, Mr. Sawyer stated, which would embrace the sinking of the main shaft to the 1,000-ft. level and the start of an internal three-compartment shaft from the 1,000-ft. level, using the new hoist.

In a second report the manager says that an alternative to this plan would be to slash out the present winze to three-compartment size and continue this dimension below the 1,000-ft level. This, however, would entail shutting down the mill for a time. When the new hoist is in, it may be possible to make a little profit, he says.

Discrepancies in the estimated value of ore sent to the mill and the actual production of bullion, plus tails, is noted. During the three months March, April and May 12,214 tons (unsorted) were hoisted. This works out at .255 oz. per ton. During the same three months, however, there was actually produced 1,888.026 oz. of gold, including tails, and from this it is found that the ore actually ran .154 oz. per ton. Present ore reserves are worked out at 5,512 tons available for milling, grading .177 oz. per ton. This, however, might possibly be increased to 8,000 tons. Chances for the ore continuing below the 1,000-ft. level, he says, appear good with an even chance of higher grade. There are also many surface exposures worth investigating.

Reward Mining Co. Rebuilding Porcher Mill

From Our Own Correspondent

MONTREAL.—The Reward Mining Co.'s mill at Porcher Island was totally destroyed by fire on June 15. The mill was covered by insurance of $22,500.

C. P. Riel, president, states that it is the intention of the company to rebuild a mill of 50 tons capacity and to bring the company's earnings from Surf Point and the adjoining Edye Pass Mines to a net amount for distribution in dividends to shareholders of at least $100,000 per year.

The Reward Oil Co., subsidiary of the Reward Mining Co., the president reports, has a 26% interest in No. 1 well and a 31% interest in the No. 2 well, the former producing 300 bbls. per day and the No. 2, 1,100 bbls. per day. All oil is sold to a local refinery at Calgary."

Malartic Gold Fields Drill No. 7 Ore Zone

From Our Own Correspondent

MONTREAL. — Malartic Gold Fields reports that during the first half of June, three intermediate drill holes were drilled in the No. 7 ore zone to confirm the width and continuity of the zone. A total of 13 holes have now been drilled in this zone, indicating a length of 1,030 ft. with an average width of 8 ft. and grade of $11.16.

This zone is still open to the east, J. P. Norrie, general manager, reports, where further favorable results are expected.

Waite Amulet Speeds Work

Adds Fourth Diamond Drill—Ore Body of Major Importance

Capacity of Waite Amulet concentrator will be increased from 350 to 500 tons daily, according to President J. Y. Murdoch. In addition, the tramway from Waite to the Amulet plant will be overhauled and put into service as quickly as possible at a cost of around $35,000.

Mr. Murdoch also stated that a fourth diamond drill would be added to the drilling equipment in the "A" area of the Waite ground. It will, however, take some four to six months to explore the rear thoroughly and delimit the ore body which shapes up as one of the major developments of recent mining history.

In independent quarters it is estimated that the new Waite ore body might easily challenge the H ore body of Noranda.

While this may be rather optimistic a very reasonable estimate would seem to be something over a million tons which in itself is very substantial, with the value per ton, including $2 gold value, amounting to about $15 to $16.

Waite Amulet is not shipping zinc concentrates at the present time these being stockpiled. But disregarding these entirely, the company is understood to be making $15,000 to $16,000 per month. All of this money is being put back into the present diamond drilling campaign.

The directors of the company have approved the making of application to the Montreal Curb market for listing.

First Official Gold Brick Poured at Hallnor Mines

Although the new mill at Hallnor Mines has been in operation for some weeks the official opening took place last Saturday. The first official brick was poured in the presence of J. Y. Murdoch, president, the directors of Hallnor and most of the Noranda directors. Hon. Paul Leduc, Minister of Mines for Ontario; H. C. Rickaby, deputy minister; Prof. Williams of the University of Toronto; J. R. Bradfield and E. Hibbert, were also among those present.

Gold output from the time that milling commenced to July 6 was 2,400 oz. having a value of $84,000. It is estimated that some 2,600 oz. are tied up in the mill circuit.

The mill is treating 295 tons daily and in June the millheads ran .63 oz. per ton or $22.05. So far in July the millheads have been over an ounce.

Hallnor makes the second large producer in the Porcupine camp under the direction of Noranda, Pamour now treating around 1,500 tons per day.

Sladen Malartic Output Reaches $56,264 in June

June output of Sladen Malartic Mines amounted to $56,264 from 9,502 tons, an average recovery of $6.28 per ton, according to Andrew Walz, consultant. Recovery ran 94.2%. A substantial tonnage of accumulated development ore was treated during the month, bringing the grade down from the estimated average of the ore body.

Mr. Walz reports that the first two holes sunk in diamond drilling an entirely unexplored section of the company's holdings, about 1½ miles northwest of the present shaft, have given encouraging results. The first hole secured 2.7 feet running $9.45; a second hole obtained 1.6 ft. running $11.38, and is still drilling. While widths are small, the consultant feels that the results indicate important ore deposition.

Good progress is being made in plans and specifications for doubling mill capacity; it is expected that these will be ready by the time the shaft reaches its present objective.

Smelters Production Larger in Volume

The quarterly production report issued by Smelters records the output of five metals derived from the company's mines. Of these lead and zinc, the company's most important products show small increases. Gold with a production of 14,871 oz. shows the largest relative gain the output being up approximately 25%. Copper and silver were slightly higher.

The production for the two quarters compares as follows:

	Second quarter 1938	1937
Leada, tons	51,328	50,515
Zinc, tons	40,641	39,265
Copper, tons	434	357
Gold, oz.	14,871	11,901
Silver, oz.	2,333,062	2,332,462

Sullivan Mine Output $190,702 in 2nd Quarter

From Our Own Correspondent

MONTREAL. — Sullivan Consolidated Mines production for the second quarter of this year amounted to $190,702, compared with $181,268 for the first three months of the year. During the last quarter, 13,668 tons were milled, the recovery averaging $13.95 a ton after providing for tailings.

Perron Gold Mines Output at Higher Level

MONTREAL.—Gold production at Perron Gold Mines in June amounted to $97,621 recovered from 10,011 tons of ore milled, according to the report of J. P. Norrie, general manager. This represents an average of $9.75 a ton.

In June of last year, Perron produced $73,650 from 10,313 tons, or an average recovery of $7.14 per ton.

Quebec's Gold Production Higher for Five Months

Quebec's production of gold for the month of May, while higher than that for May, 1937, was lower than that for April preceding. The output for the five months ended with May, however, showed a gain of 75,126 ounces or 26.3%.

Production of asbestos was lower than in the same month of 1937 and also showed a decline for the five months.

	May 1938	May 1937	April 1938	Five Months 1938	Five Months 1937
Asbestos, tons	31,007	37,636	24,642	106,951	162,405
Gold, oz.	68,009	57,974	71,969	360,125	284,999
Silver, oz.	88,994	62,052	83,832	429,344	265,108
Clay products	$95,606	$85,299	$45,926	$267,082	$248,688
Lime, tons	11,808	16,294	10,215	40,259	68,272
Cement, barrels	241,384	255,300	153,269	627,473	628,041

N. C. URQUHART & CO.
STOCK BROKERS
Members Toronto Stock Exchange
15 King Street West Toronto, Ont.
ADel. 6028

MINING AND INDUSTRIAL STOCKS
We would be pleased to execute orders or furnish information on all mining, oil and industrial stocks.
G. W. NICHOLSON & CO.
Members Toronto Stock Exchange
Telephone Elgin 5317
302 BAY ST. - TORONTO

Canadian Mining and Industrial Stocks
Canadian Commodities
OUR STATISTICAL STAFF WILL BE PLEASED TO ANSWER INQUIRIES REGARDING ALL CLASSES OF SECURITIES
F. J. Crawford & Co.
MEMBERS:
The Toronto Stock Exchange
Winnipeg Grain Exchange
Canadian Commodity Exchange, Inc.
11 JORDAN ST. ELGIN 2201 TORONTO
Branches: BARRIE ORILLIA HAMILTON

Market Opinions

Stock market commentators this week seem less willing to emphasize the likelihood of a continued rise and more anxious about the possibility of a reaction. In spite of this caution, however, the majority of opinions continue optimistic.

The Journal of Commerce, New York—"The irregularity of stock price movements during the past week was a natural development after the sharp uprush in quotations during the preceding fortnight. In fact, the short-lived character of the reaction and the tendency for volume to contract when quotations receded, have been impressive."

* * *

Brookmire Bulletin, New York—"There are already premonitory indications of the business recovery which the phenomenal rise in the stock market has clearly foreshadowed. However, the very rapidity and extent of this rise—which, since mid-June, has undergone no important interruption—renders it in the normal course of events, vulnerable to a corrective reaction. What point will prove to have been the one from which a recession started is not yet fully evident, but in view of this situation, all buying should be temporarily suspended, awaiting its clarification, and any new cash becoming available should be allowed to accumulate."

* * *

The Economist, London (July 2)—"The movement took the whole market by surprise, and it must be admitted that the arguments so far adduced in favor of its continuance turned rather on points of chart reading necromancy, than on any factors in the immediate economic outlook . . .

"But neither the speed nor the extent of last month's upturn in prices afford in itself conclusive evidence of permanence. The present movement could be paralleled from the experience of 1930, when the market was much wider, because speculative facilities were not curtailed, as they are today, by official regulations. The London market, therefore, is likely to maintain its Fabian attitude even if, as is probable, the American movement goes farther before encountering its first real check."

* * *

The Investors' Chronicle, London (July 2)—"Thus, for six months, or perhaps a year, I see no reason to doubt that Wall Street will go up, taking London and other stock exchanges and commodities markets with it. And investment policies made on that assumption now should bring reward in due course, although I must drag in the usual tag about 'freedom from international complications.' The in-and-out investor is a more difficult man to advise, and, after the experience of the recent Wall Street boom, I am not to be tempted into any categorical assertions. My own feeling, for what it is worth, is that 'pauses' must recur. Many people have some good profits, and who can blame them if they take them?"

* * *

The Stock Exchange Gazette, London (July 2)—"Wall Street's optimism may not be so premature as it looks, and if the big money in London starts to find its way into the market, a doleful six months will be only a bad memory. Italy's desire now is to end the Spanish civil war and enforce the pact with us. Franco is beginning to realize that when he wants money it cannot be found either in Rome or Berlin. As a business factor the Spanish mess is clearing up. The key to market, however, is Wall Street, and Wall Street operating under a new code of restrictions cannot avoid violent fluctuations. The tide having turned, operators must be on the lookout for an occasional backwash."

* * *

The Annalist, New York—"Because investors have become highly responsive in recent years to the evidence of an advance in the price level, a further recovery of industrial raw material prices might well have a strong pulling influence upon stock prices. The tendency for stocks to rally under such an influence, however, introduces an uncertainty in that prices are likely to improve out of proportion to the business expansion, and consequently reaction will be rather severe."

* * *

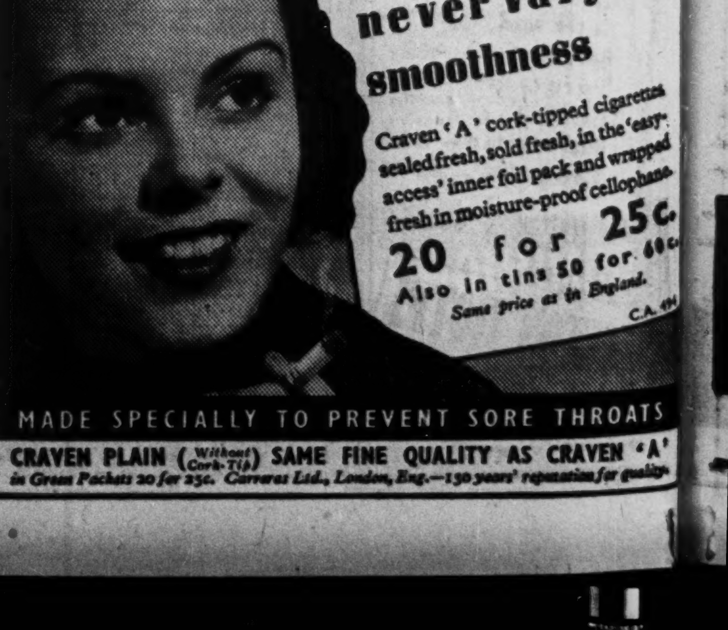
Barron's, The Trader, New York—"Test of the intrinsic strength of the market, in view of the nominal volume of brokerage debits and small speculative borrowings, can therefore only come in response to definitely and, more particularly, adverse news. When the test will come it would be futile to guess but, until it is made, the underpinnings of the market and the willingness of buyers to retain stocks in the event of a change in sentiment are logically open to question.

"As the market has already discounted a smart revival in the fall, it is up to business to demonstrate, before long, that current hopes are no mirage. The stock market level warrants considerable scepticism at the moment."

* * *

Financial World, New York—"Once the bloom is off a rebound of the type that has been witnessed, individual issues tend to move more in line with the earnings prospects of the respective companies than in sympathy with the general market. In other words, a time comes when each stock must stand on its own feet—and it may be that that time is not far distant. Among the fields which appear best situated to increase earnings during the recovery phase of the business cycle are building equipment; steel; copper; industrial machinery; mail order; chemical; and some of the utilities and strongly intrenched railroads. New purchases could well be directed largely to the representatives of the better companies in those groups. Without ignoring the possibilities of a fairly significant technical correction setting in before the current price advance proceeds a great deal farther, it appears that commitments are warranted by those willing to look farther ahead than the intermediate swings of the market."

Need ENVELOPES?
PHONE
DOMINION ENVELOPES LTD
130-150 DUCHESS ST., TORONTO
We have them all Kinds
ELGIN 7271



Craven 'A' cork-tipped cigarettes sealed fresh, sold fresh, in the 'easy-access' inner foil pack and wrapped fresh in moisture-proof cellophane.
20 for 25c.
Also in tins 50 for 60c.
Same price as in England.
C.A. 494
MADE SPECIALLY TO PREVENT SORE THROATS
CRAVEN PLAIN (Without Cork-Tip) SAME FINE QUALITY AS CRAVEN 'A'
in Green Packets 20 for 25c. Carreras Ltd., London, Eng.—150 years' reputation for quality.

The Week in Oils

Royalite 30 is Eighth Among Valley Oil Wells

High Producing Area Is Now Definitely Extended to the North and West of Turner Valley Royalties

From Our Own Correspondent

CALGARY.—Following acidization, Royalite 30 now ranks eighth among crude producing oil wells. It produced a total of 2,277 barrels in a 24-hour test.

With a daily potential yield set at 1,518 barrels, the well now definitely extends the high-producing area one mile north and west of Turner Valley Royalties which hit the "money paying" crude two years ago.

Prairie Royalties at present has the largest potential yield, with 2,718 barrels daily. Other large potential yields are as follows: Sundance, 2,572; Commoil, 2,397; West Turner No. 1, 2,321; Brown No. 1, 1,970; Davies No. 2, 1,757; Sunset, 1,710; and Royalite 30, 1,518.

Nearest Well 1,000 Feet West

Oil men stated there will not be a very great rush in drilling to offset Royalite 30, the nearest well being located but 1,000 feet directly west of Royalite. Half a mile west is Anglo No. 1, and three quarters of a mile is East Crest. About half a mile to the north is a vacant legal subdivision, but it is being drilled by the Freehold Hargal of Vancouver. On another legal subdivision to the east is Davies No. 4, which is about 2,954 feet deep.

At one time considered the "mystery well" of Turner Valley, Royalite 30 is located on legal subdivision 11, section 32. Prior to acidization the well produced 501 barrels daily.

Three New Producers

Three new wells will shortly go on production in Turner Valley after ten-day government tests are completed. The first will be Brown 1, which was put on a test July 3, and will be given a 24-hour open flow test on July 13. The second well is Vulcan-Brown, which will be put on production on July 18. United 5, which was recently acidized with 5,000 gallons of acid, went on a ten-day test last Saturday, and will be given a 24-hour open flow test on July 19.

Ram River Oils

Ram River Oils Ltd. will start on its No. 1 well as soon as four miles of roadway can be completed to enable the company to haul in diamond drilling equipment. Russell V. Johnson, consulting geologist of Calgary, has selected a location on the company's acreage 10 miles southwest of the Phoenix station. Mr. Johnson, who geologized the company's holdings, states that drilling will start at the base of the top of the Devonian limestone.

The Devonian is productive in many parts of the continent, oil in quantity having been found in this formation in Moose Dome. The Michigan field, which produced 67,000,000 barrels in 1936, is an outstanding example of a prolific Devonian production.

Oil should be encountered at Ram River at a maximum depth of 3,000 feet.

In the Taber Field

North Taber Royalties No. 1 well was spudded in last week in the Taber field. The finest drilling equipment available is being used and the well is expected to be completed by October. North Taber Royalties is a Vancouver company and financed at the coast. H. M. B. Inglis, consulting geologist, geologized the company's holdings and selected the drilling site.

Lease Holdings, Ltd., has purchased the Hunter Valley Oil Company's derrick on the Hunter Valley location west of Olds and a Jones and Quinn crew will start dismantling it within the near future in readiness for hauling it to the Turner Valley location of Lease Holdings No. 1 well, in the southwest corner of LSD 2, sec. 21, Twp. 18, Rge. 2, west of the Fifth.

Starts New Well

Royalite has started work on a location for its No. 34 well on LSD 7 of Section 5, Twp. 19, Rge. 2, west of the Fifth, one location south of Vulcan-Brown and a location west of Mercury Royalties, also half a mile east of East Crest No. 4. The site is 500 feet south of the north line and 660 feet west of the east line of the LSD 7. Vulcan-Brown is one of the largest producers in the field, while Mercury Royalties is nearing completion in the limestone.

Sampling New Vein At Chan Yellowknife

Work at Chan Yellowknife Gold Mines, N. W. T., has traced a new vein for 1,500 ft. to the north, according to Miles Flynn, president. This break, the same as No. 4 and about 2,000 ft. north of it, is shown by aerial photographs to be continuous for over 6,000 ft., with both ends open.

Mr. Flynn reports that considerable surface work will be necessary to prove up the ore sections. Where exposed, the new vein shows 3 ft. of well mineralized quartz and schist similar to and with the same values as on the Ryan-Negus system.

NORTHERN CANADA
MINES LIMITED
New mines financed, managed and developed to production.
44 Victoria Street, Toronto, Can.

TOOLE, PEET & CO.
LIMITED
FINANCIAL AGENTS
Appraisers and Valuators
Estates Managed
CALGARY CANADA

We Manufacture
Envelopes
for every purpose
Barber-Ellis
of Canada, Limited
TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST

Investors' Chronicle
6d. Established 1860 6d.
Has the Largest Net Sales of any Weekly Financial Newspaper in Great Britain
OVERSEAS FINANCE
Special Correspondents in all Financial Centres
A free specimen copy will be forwarded on post card application to:
THE PUBLISHER,
INVESTORS' CHRONICLE,
20, BISHOPSGATE,
LONDON, E.C. 2, ENG.

Support Your Credit Manager
WITH ADEQUATE TOOLS
As no single factor in your business dissipates profits as rapidly as bad debts.
Dun & Bradstreet of Canada, Limited

THE
LONDON & WESTERN TRUSTS
COMPANY LIMITED
ESTABLISHED 1896
LONDON TORONTO WINDSOR WINNIPEG VANCOUVER

● Steel Structures, Railway and Highway Bridges, Plate and Tank Work, Electric and Hand Power Cranes, Hydraulic Regulating Gates and Operating Machinery, Caissons, Barges, Coal and Ore Bridges, Liftlocks, Turntables, Forgings, Boilers—Turntables, Forgings, Boilers—Heating and Power Types, Coal Pulverizing Equipment, Mining Equipment, Williams Buckets.
DB COMPANY LIMITED
DOMINION BRIDGE COMPANY
LIMITED
HEAD OFFICE — LACHINE (MONTREAL) QUE.
• AMHERST • MONTREAL • OTTAWA • TORONTO •
WINNIPEG • REGINA • CALGARY • EDMONTON • VANCOUVER

BRITISH SCIENTISTS SEE NICKEL INDUSTRY

—Editorial Services photo.

Headed by Viscount Leverhulme, British industrialists, chemists and scientists along with delegates from the United States, Canada, Sweden, Denmark and Siam who had been attending the sessions of the Society of Chemical Industry in Ottawa, visited Copper Cliff for a close-up of Canada's nickel industry. PHOTO SHOWS, left to right, at Frood Mine, J. Sutherland of Luton, Beds., Eng.; V. G. Bartram of Montreal, president-elect of the Society; Viscount Leverhulme; Sir Gilbert Morgan, British government research authority; R. D. Parker, general superintendent for the International Nickel Co. of Canada Ltd.

Sylvanite Output Hits New Peak

Production During First Quarter of Year Best in History

Output of Sylvanite Gold Mines for the three months ended June 30 will be about $622,000, making the current quarter, the first of the company's fiscal year, the best in its history. If the same rate of production is maintained, output for this year will be at least $2,488,000, as against $2,255,381 last year and $2,147,237 in the previous year.

E. L. Koons, president, told shareholders at the annual meeting that the mill is handling over 500 tons daily and that development work is being pushed. Delnite, which works on a narrow margin, has been shown recently to have much better continuity. Through careful operation and better mine conditions the company has been able to more than pay its way as regards operating expenses.

Whether or not a mill will be built at Tyranite Gold depends upon whether a profit can be calculated on ore of sufficient tonnage to warrant the expenditure. Directors feel that the time is not far off when they must make a decision on a mill.

Sigma Mines (Quebec) reports gross production for June amounting to $146,315 from 18,535 tons milled, a recovery of $7.89 per ton. This compares with production of $147,610 from 18,910 tons in May, a recovery of $7.81 per ton.

Yukon Consolidated Has Loss of $64,558 For 1937

Yukon Consolidated Gold Corp. showed net loss of $64,558 for the year ended Dec. 31, 1937, after providing for depreciation and amortization expense amounting to $363,098, the directors' report states. Five dredges operated for the full season and two others for part of it. Dredges handled 7,443,785 cubic yards, yielding $1,287,723. An additional $4,504 was received in royalties, making total gold recoveries for the year $1,292,227. In the previous year gold recoveries totalled $1,461,416.

The company's proved gravel reserves, after allowing additional yardage developed in 1936, now stand at 96,360,000 cubic yards, containing $42,154,600, and having a net estimated working profit, after allowing for necessary capital expenditure, of $22,780,000.

Shaft at Hoyle Gold Down Below 400 Feet

Shaft-sinking operations at the property of Hoyle Gold Mines in the Porcupine area have progressed below the 400-ft. level, Bert W. Lang, president, advises The Financial Post. Hoyle, which is in the Pamour section, is the consolidation of three previous undertakings on which an extensive development programme was recently launched, with Ventures Ltd. and associates financing the work.

Company plans to sink the three-compartment shaft to the 1,200-ft. horizon, then crosscut north and carry on diamond drilling to prospect the conglomerate band.

Oil Company Reports

Model Oils

Operating profit of $55,889 before writing off depreciation and depletion is reported by Model Oils Ltd. in the annual statement of the company for the fiscal year ended May 31. After writing off $27,884 for depreciation on buildings and equipment and $28,005 for depletion, a net loss for the period of $8,148 is shown. This compares with a profit of $9,588 in the previous fiscal year.

W. C. Fisher, managing director, points out in his report that the company is now receiving only $1.20 per barrel for 43 gravity oil as compared with the former price of $2.63 per barrel.

The production of the company's wells in Turner Valley, it is stated, is being maintained at approximately 11,000 barrels per month and in Montana is approximately 1,300 barrels per month. This, it is noted, will vary according to proration and the available market from time to time.

The directors are considering the deepening of Model No. 1 well in the north end of Turner Valley to the second producing horizon in the limestone. This work, it is expected, will be completed this year.

Income and Surplus Account
Year Ended May 31

	1938 $	1937 $
Rev. from oil sale	138,978	156,796
Less: Production exp.	37,650	27,040
Oper. revenue net	101,328	129,756
Less: Royalties paid	26,959	35,846
	74,369	93,910
Add: Transfer fees	118	536
Interest on savings	15	21
Rental of equipment	816	60
	75,318	94,527
Less: Office exps.	12,284	12,138
	63,034	82,389
Less: Insurance	1,407	1,156
Taxes — Dom., prov., & U.S. inc. tax pd. & provided for	1,502	6,478
Legal & audit fees	1,140	1,500
Directors' fees	2,990	2,880
Lease rentals, travelling exps., int. and exch., annual meeting exp., commissions, advtg., etc.	8,253	3,832
	47,741	66,543
Less: Depr. bldgs. and equip.	27,884	26,570
	19,857	39,973
Less: Depletion	28,004	30,237
Int. on def. liabs.	......	148
Earnings for period	**8,147	9,588
Earns. per Sh. & Divd. Record:		
Earned	......	0.01
Paid	......	.03
Working Capital		
Current assets	44,374	26,662
Current liabilities	53,488	9,372
	*9,114	17,290

*Deficit. **Loss.

Commonwealth Pete

In the 14-month period ended May 31, 1938, Commonwealth Petroleum had net profit of $35,324, equal to slightly over two cents per share, as compared with ¼ cent for the period ended Mar. 31, 1937, D. J. Young, president, said in presenting the annual report. Improvement in the company's position is due in part to the success of its subsidiary, Commoil, Ltd., in which Commonwealth owns 488,260 shares.

Commonwealth has been able to dispose of part of its holdings in Commoil at a profit of $9,959 and is assisting in the drilling of that company's second well.

To protect Commonwealth's interest in its other subsidiary, Command Oils, the latter company is being assisted in the drilling of its No. 1 well through the purchase of Command shares as and when funds are required. Commonwealth owns 748,042 shares of an issue of 995,130 shares and has also a 5 11/15% gross royalty in Command Oils.

In the period under review, general and administrative expenses amounted to $18,952, as compared with $9,528 in the previous period.

Income and Expenditure Account

	Mar. 31, 1937, to May 31, 1938 $	Jan. 31, 1936, to Mar. 31, 1937 $
W/o Westside Royalt. inv.	1,213	......
Corpn. & bus. taxes	390	......
Office & other exps.	13,387	6,902
Directors' fees	*3,875	438
Legal & audit fees	1,330	229
Govt. taxes & fees	......	594
Depr. of office furn. & sundry equip.	154	141
Deplet., Montana well	662	489
W/o B. & B. Royalties inv.	3,218	735
Bad debts w/o	565	......
	24,794	9,528
Other revenue	17,814	3,135
Divd.—Commoil Ltd.	24,442	......
Royalty, Westside Roy.	4,852	......
Management fees	3,050	......
Net income	50,159	12,663
Net profit	25,365	3,135
Less: Prev. deficit	737,497	740,708
Sundry adjusts.	......	844
Cut Bank Synd. No 1 w/o	......	6,718
Fulton-Commonwealth Oil Co. w/o	......	13,552
Add: Profit on Royalite shs.	......	30,190
Deficit forward	712,132	737,497

*Includes $2,635 salaries and travelling expenses of Toronto directors.

Plan 2 Mills For Zeballos

Privateer and Goldfields Groups to Join Producers

From Our Own Correspondent

VANCOUVER.—Early in the fall the Zeballos gold camp, which has been making good progress during the summer weather, will have two mills operating — one for the Privateer, controlled by Connell Mining & Exploration Co., and the other for Goldfields, owned by A. B. Trites and associates, of Vancouver.

Other properties being prepared for milling operations in the near future, include Central Zeballos, for which several offers have been made, and the Beano group, now being developed by Inspiration, subsidiary of Nesbitt, Thomson & Co. Connell Mining & Exploration has acquired an interest in the Farris group, and this may become one of the most active mines in the west coast gold camp.

Two Years' Reserves

The Privateer, from which some of the richest ore has been taken so far, is now approaching an interesting stage. Bunkhouses and power houses are now being built, and the mine is being developed underground to provide a run of 75 tons of ore daily through the mill, which is expected to be in operation by September.

The mine crew was delayed for about two weeks by breakdown of one of the compressors, but it is now in full operation. Between existing levels of the Privateer, enough ore has been blocked out to ensure two and a half years operation, according to D. S. Tait, secretary.

The company is driving a 560-ft. crosscut, and winze will be sunk 175 ft. to meet the crosscut to serve as a pass for bringing down ore from the upper levels, where the necessary backs must be taken down to open up the stopes from which ore for millfeed will be blasted.

High Grade at Rimy

On the Man-O-War property, also being developed by Connell, the No. 2 (Rimy) operation is overshadowing the original No. 1 (Van Isle). The Van Isle, in the east face, is showing improvement as it approaches the Privateer, although values at the lower tunnel horizon continue low.

The No. 3 Rimy vein continues to show up well, and the new tunnel on this vein is now well underground, the face being about 20 ft. from the portal. Samples have been taken at frequent intervals and they are consistently high grade.

Nineteen samples have now been taken on the No. 3 vein, and their lowest assay was 1.16 oz. gold ($40.60) to the ton, while the average of the entire 19 samples is 4.02 oz. ($140.70) to the ton. The mine sampling is a little under the consulting engineer's samples, which averaged $142.80 to the ton.

Several other showings on the Rimy group are of considerable promise, particularly one wide zone lying about 1,500 ft. south of the No. 3 vein which shows a total of over 8 ft. of heavily mineralized material.

G. F. MacDonnell, consulting engineer, recommends that the Rimy be made the first-string operation for the present and it is probable that for the time being the bulk of the crew will be transferred to this section to push the development of No. 3 vein as rapidly as possible.

Ore bins are being prepared at this portal of the tunnel on No. 3 vein, and high-grade ore is being accumulated there for future shipment.

WHEN IN LONDON...
You can buy THE FINANCIAL POST at our office, 2, 3 and 4 Cockspur Street, next door to Canada House on Trafalgar Square, or at W. H. Smith & Son, Limited, Strand House, Portugal Street, W.C. 2, or
Underground Railway Station Bookstall, Bank, E.C. 2.
Metropolitan Railway Station Bookstall, Moorgate St., E.C. 2.
Southern Railway Station Bookstall, Blackfriars, E.C. 4.
Underground Railway Station Bookstall, Knightsbridge East, S.W. 1.
Metropolitan Railway Station Bookstall, Liverpool Street, E.C. 2.
Kiosk, 34 New Bond Street, W. 1.
Southern Railway Waterloo Station Main Bookstall, S.E. 1.
IN NEW YORK...
You can buy THE FINANCIAL POST at our office—The MacLean Publishing Company, on the 6th floor of the Guaranty Trust Building, which is located at Fifth Avenue and 44th Street.
News stand, 80 Broadway (Corner Wall Street).
News stand, 11 Wall Street.
News stand, 17 East 42nd Street (N.E. corner Madison Avenue).

Claim Holly Seeks Control Of Elbow Lake

Say Old-established Mine Bidding for Manitoba Group

WORK STAR LAKE

From Our Own Correspondent

WINNIPEG.—Hollinger Mining Corp. is reported to be negotiating for control of the Elbow Lake property of Century Mining Corp., following a Hollinger engineer's visit to the property recently.

Century Mining Corp. has been developing the Golden West Mines' claims of about 300 acres on Elbow Lake, and in his latest report Dr. J. F. Wright said 90,000 tons of ore averaging $8.50 per ton had been indicated by diamond drilling and underground work. The property was originally staked by T. Webb and W. Garbutt and much work has been done on it. Mr. Garbutt said he had not received any official notification that the Hollinger deal had "gone through."

The property is reached via Heming station on the Cranberry Portage-Sherridon line of the Canadian National.

Fay Lake Drilling

Further exploration work through a series of diamond drill holes has begun on the property of Fay Lake Mining Syndicate, 10 miles south of the Sherritt Gordon property. Fay Lake's property consists of nine claims which have already been fairly extensively test pitted and trenched, some of the pits being 30 feet in depth. Encouraging values in gold have been received over a five-foot width, in gold, traceable for several hundred feet, and it is now proposed to test this vein to depths varying from 150 to 500 feet over a considerable length. Eastern mining companies are said to be interested.

Resume Activity

A detailed geological study of the Star Lake Mines property, adjacent to Sunbeam-Kirkland, has just been completed by Rudolph Hiebert, geologist, who recommends a comprehensive programme of diamond drilling to test the known structures. Star Lake Mines, formerly known as the Penniac Reef, was one of the first properties in Manitoba to receive investigation, and a shaft, following the dip of an ore zone, was sunk to about 80 feet. In the early days a mill building was erected on the property and some gold taken out. For many years the property was practically neglected and the machinery sold.

Mr. Hiebert believes the property has definite possibilities. Its close relationship to Sunbeam-Kirkland, the similarity of its geology and the origin of the ore depositions lead him to believe that diamond drilling will disclose worth-while ore bodies. Eastern companies have been negotiating with Star Lake Mines, the company now holding the property, and it appears likely there will be a continuance of the previous activity.

Output at New Peak

God's Lake Gold Mines established a new production record in June, when 2,725 ounces of bullion were produced. The bullion contains some silver, and officials do not care to estimate actual gold recovery closer than from $91,000 to $95,000. Previous record was for the month of May, when 2,614 ounces of bullion were produced, valued at $87,400.

Included in the June total is the clean-up of a ball mill, and as this will not be a recurrent feature in July, the production for that month is not expected to equal the June record.

Get Good Values

Gold Shore Mines, with property on the east shore of Lake Winnipeg, north of the Hole River, has had a crew of men working for the past three months, clearing, trenching and pitting an ore zone which roughly parallels the shore lines about 100 feet inland.

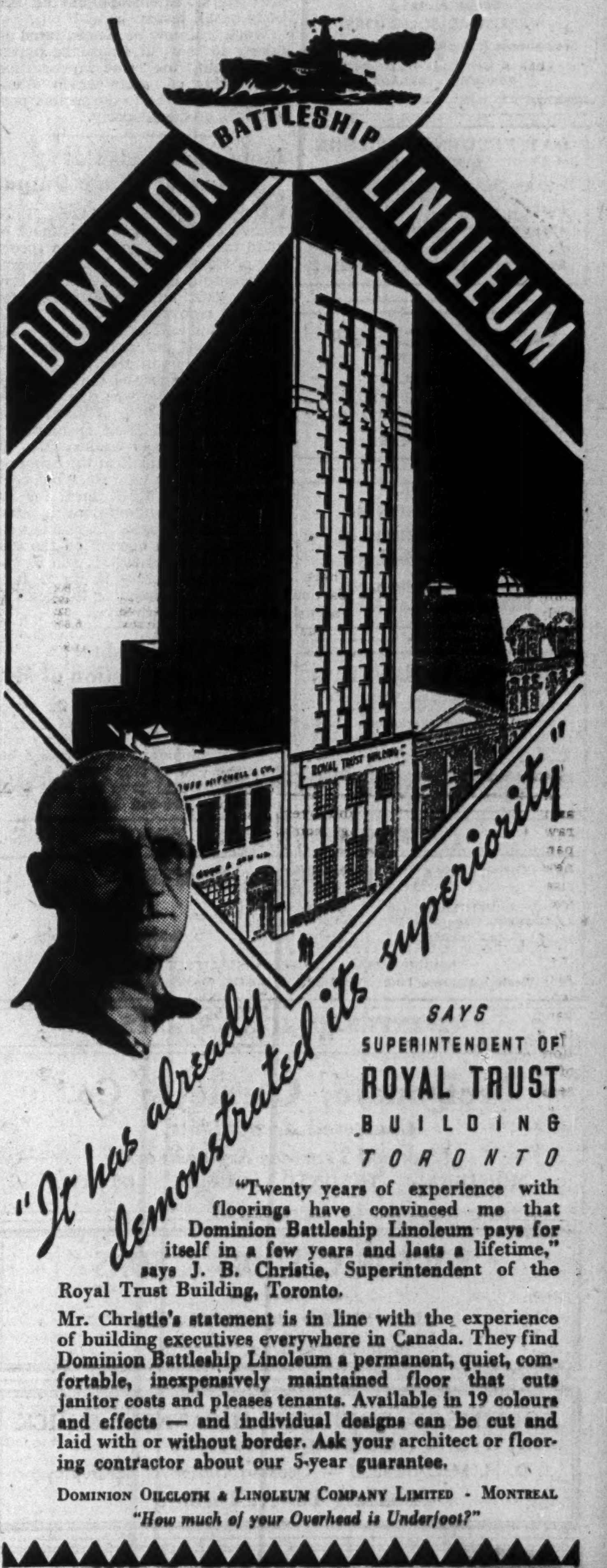
A recent series of nine assays gave values running from 35 cents to $102.90 and averaging $22.55. The ore contained 1.3% molybdenite and 3.5% copper.

June Output Up

June output of Gurney Gold Mines amounted to $50,148, the company advises. This compares with production of $40,831 for May and $36,990 in April last. Mine operations are reported to be exceeding expectations.

Milling has already begun at Oro Grande, power at which was turned on early this month. The power line taps the property line of Gunnar Gold, and it was necessary only to erect a pole line of about two miles. Crew of 30 men at the property is likely to be augmented as operations expand.

CANADA'S great hydro-electric developments, which turn the wheels of industry and supply low cost electric current to hundreds of thousands of homes, are financed in many instances by the issue of securities engraved and printed by this company.
BRITISH AMERICAN
BANK NOTE COMPANY
LIMITED
The Old Canadian Company Established 1866
HOWARD W. PILLOW, President
CHARLES G. COWAN, Vice-Pres. & Man. Dir.
G. HAROLD BURLAND, Sec.-Treas.
HEAD OFFICE: OTTAWA
262 Wellington Street
511 Place d'Armes MONTREAL
1110 Bank of Hamilton Bldg., TORONTO



DOMINION BATTLESHIP LINOLEUM
"It has already demonstrated its superiority"

SAYS
SUPERINTENDENT OF
ROYAL TRUST
BUILDING
TORONTO
"Twenty years of experience with floorings have convinced me that Dominion Battleship Linoleum pays for itself in a few years and lasts a lifetime," says J. B. Christie, Superintendent of the Royal Trust Building, Toronto.
Mr. Christie's statement is in line with the experience of building executives everywhere in Canada. They find Dominion Battleship Linoleum a permanent, quiet, comfortable, inexpensively maintained floor that cuts janitor costs and pleases tenants. Available in 19 colours and effects — and individual designs can be cut and laid with or without border. Ask your architect or flooring contractor about our 5-year guarantee.
DOMINION OILCLOTH & LINOLEUM COMPANY LIMITED - MONTREAL
"How much of your Overhead is Underfoot?"

Wakefield
ENGLISH MIXTURE
W-33

A PIPE of Wakefield flatters a man's judgment. That's why the young man of today is so clearly indicating his preference for this mellow, cool smoking mixture, which so satisfyingly fulfills the best traditions of English pipe tobaccos. Try a package.
PACKAGES, 15¢ & 25¢—POUCHES, 25¢
½lb. TINS $1

Naybob Gold Mines To Increase Mill

Naybob Gold Mines Limited is ordering additional equipment to bring its mill capacity up to 150 tons daily from a present rate of 20 tons. The mariposite vein at the property has been opened up for 123 ft. with both faces in ore with visible gold shewing. A raise of 40 ft. from the 700-ft. level is also stated to be in high-grade ore. Some 23 tons of ore which went through the mill recently are stated to have run over $300 per ton. The stock was active and higher during the week.

Legal Directory

TREMBLAY-EUDES
Advocates, Barristers, Etc.
LUCIEN TREMBLAY
RAYMOND EUDES
266 St. James St. W., Montreal
LANCASTER 5634

V. EVAN GRAY, K.C.
General Counsel Work, especially matters of insurance law.
372 Bay Street, TORONTO
Telephone Adel. 6406

FENNELL, PORTER & DAVIS
ROBERT FENNELL, K.C. DANA H. PORTER
BRUCE P. DAVIS
BARRISTERS, SOLICITORS
Telephones ADelaide 7382-7383-7384
CABLE ADDRESS, "THIMSON."
TORONTO - CANADA

DAY, FERGUSON, WILSON & KELLY
BARRISTERS, SOLICITORS, Etc.
JAMES E. DAY, K.C. THOMAS J. DAY
ROLAND F. WILSON, LL.B.
ARTHUR KELLY H. EMERSON MARTIN
1116 FEDERAL BUILDING
85 Richmond St. W. Toronto 2

LANG & MICHENER
BARRISTERS, SOLICITORS, ETC.
DANIEL W. LANG, K.C.
D. R. MICHENER C. M. RICKETTS
H. S. DAY E. B. JOLLIFFE
372 BAY STREET, TORONTO
TEL. WA. 2831
CABLE ADDRESS "LAMER"

Pitblado, Hoskin, Grundy, Bennest & Drummond-Hay
Barristers, Solicitors, etc.
WINNIPEG, CANADA

Victor A. Sinclair, K.C.
Formerly Chairman, Workmen's Compensation Board, Ontario.
Special attention Workmen's Compensation, Social Insurance, Life Insurance, Corporation and Commercial Law.
1503 Canada Permanent Bldg.
TORONTO, CANADA

To Erect Mill At Straw Lake

Capacity of First Unit Will be 60 Tons Per Day

Straw Lake Beach Gold Mines, Kenora mining division of Ontario, has entered into a contract with Canadian Comstock Co. whereby that company will build and equip a mill for Straw Lake, the initial unit to have a daily capacity of 60 tons. The mill will be turned over to Straw Lake completed and in operation as a turn key job.

The contracting company, after an examination of the property by its engineers, has agreed to accept payment of the contract price on the following basis: $12,500 in cash, $43,700 payable out of 50% of net profits of mill operation, and 250,000 shares of Straw Lake stock. Construction work is to begin at once, and it is expected that the mill will be ready for operation in from three to four months.

Report of J. D. Tolman, mine manager, dated Feb. 5 last, showed that the work done on the 100-, 300- and 425-ft. levels to the end of 1937 had developed 19,105 tons of ore averaging $20.17 per ton, or an aggregate value of $385,316.67 of ore. Further development work has been done on each of these levels, and its results are not included in the above calculations. According to W. G. Chipp, assistant secretary, the management has every reason to be satisfied that the ore goes to depth and that there are lateral extensions of the ore body on all levels.

Work will now be concentrated on taking down backs, preparing stopes, and placing the mine in condition for production, after which attention will be given to the further possibilities of the property.

Lower Millheads Cut Gunnar's June Output

During June, Gunnar Gold Mines recovered $50,801 from treatment of 4,316 tons of ore, an average recovery of $12.06 per ton. This compares with output of $53,384 in May last, when 4,226 tons were milled for average recovery per ton of $12.94. In June the mill handled an average of 143.8 tons per day, as compared with 136.3 tons in May.

The company states that the lower recovery in June was due to lower millheads, over 37% of tonnage going to the mill from development work in June as against 21% in May. Developments at the property are satisfactory. Vein No. 8 has been opened on the 625-ft. level for 235 ft., with values running much better than mine averages. The same vein has so far been opened on the 500-ft. level for over 200 ft., and on the 750-ft. level for 108 ft. up to June 30. Work is proceeding to open this vein at the 875-ft. level.

Negus Mines to Start Construction of Mill

Construction of mill at the property of Negus Gold Mines Ltd. is scheduled to start right away and the unit should be in operation before the end of this year. At first it is planned to have the mill operating on a 50-ton basis.

PROFESSIONAL DIRECTORY

HANS LUNDBERG LIMITED
HEAD OFFICE
MONTREAL — Dominion Square Bldg. — Hans Lundberg, G. K. Lowther, Ph.D.
TORONTO — Victory Building — Douglas Burton, Theodor Zuschlag
NORANDA — Quebec — R. Grimes Graeme, Ph.D., Basil T. Wilson, M.Sc.
GEOLOGICAL AND GEOPHYSICAL SURVEYS
Western Representative, VICTOR DOLMAGE, Marine Bldg., Vancouver

CHARTERED ACCOUNTANTS

McDonald, Currie & Co.
Chartered Accountants,
Licensed Trustees & Receivers
MONTREAL TORONTO QUEBEC OTTAWA

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

ROBERTSON, ROBINSON, McCANNELL & DICK
CHARTERED ACCOUNTANTS
D. H. McCANNELL — Licensed Trustee in Bankruptcy
Sterling Tower, Toronto

OSCAR HUDSON & CO.
CHARTERED ACCOUNTANTS
Head Office — 199 Bay St. — Toronto, Ont.
Telephone ADelaide 2381
Branches—London, Montreal, Windsor, Winnipeg, Vancouver

RUTHERFORD WILLIAMSON & CO.
CHARTERED ACCOUNTANTS
RUTHERFORD WILLIAMSON, F.C.A. HAROLD A. SHIACH, F.C.A.
TORONTO, MONTREAL
Licensed Trustees and Receivers
Rutherford Williamson, F.C.A. F. R. McCutcheon, C.A.

THORNE, MULHOLLAND, HOWSON & McPHERSON
CHARTERED ACCOUNTANTS
E. J. HOWSON
R. S. McPHERSON
Licensed Trustees
FEDERAL BUILDING
TORONTO
GALT
KITCHENER

J.P. LANGLEY & CO.
C. P. ROBERTS, F.C.A.
Chartered Accountants
TORONTO
KIRKLAND LAKE
ONTARIO

CLARKSON, GORDON, DILWORTH & NASH
CHARTERED ACCOUNTANTS
15 Wellington Street West, Toronto
Toronto—Montreal—Hamilton—Ottawa
E. R. C. CLARKSON & SONS
Licensed Trustees and Receivers
15 Wellington Street West, Toronto

Low Metal Prices Hit Value Of B.C.'s Mineral Output

From Our Own Correspondent

VANCOUVER.—Value of British Columbia's mining production this year will probably show a reduction from last year's totals due to a decline in the price of base metals, but the record will not be without its bright spots, especially in respect to lode gold.

Present indications are that output of lode gold will be worth about $18 millions this year, compared with $16,000,000 last year. This is, of course, an all-time record.

Believes Bottom Reached

Price of copper, lead and zinc has decreased throughout the first half of 1938, and while Dr. John F. Walker, deputy minister of mines, believes that the bottom has been reached, there is no assurance of any appreciable increase during the next six months.

Volume and value of silver this year is expected to be on a par with last year. Copper production, due to accelerated activity of Granby, selling its entire output to Japan, and Britannia, on a long-term contract with American Smelting & Refining's smelter at Tacoma, will probably be about the same as last year on a dollars and cents basis, decline in price being offset by volume.

$13,000,000 Lopped Off Value

Dr. Walker anticipates that there will be a reduction of approximately $13 millions in the value production of lead and zinc this year, entirely due to the downward drift of prices. Price recovery during the balance of the year, however, might alter the situation.

Comparative figures on B. C. mine production for the six months ended June 30, 1937 and 1938 follow:

Product:		Value 1937	Value 1938	1938 Increase(+) or Decrease(—)	1938 Percentage
Gold, placer	oz.	$345,218	$433,452	+$88,234	+25.5
Gold, lode	oz.	7,939,231	9,101,260*	+1,162,029	+14.6
Silver	oz.	2,445,008	2,515,355	+70,347	+2.9
Copper	lb.	2,421,519	3,137,970	+716,451	+29.5
Lead	lb.	11,564,340	6,936,020	—4,628,320	—40.2
Zinc	lb.	7,324,055	4,871,760	—2,552,295	—33.5
Coal (2,240 lb.)	tons	3,066,095	2,805,000	—261,095	—8.5
Structural materials		825,000	1,025,000	+200,000	+24.2
Miscel. metals, minerals & materials		734,800	840,000	+94,000	+12.6
Totals*		$36,676,266	$31,665,817	—$5,010,449	—13.6

*Canadian funds.

Stadacona Rouyn Sells Block of 182,209 Shares

MONTREAL. — Roy Anderson, president of Stadacona Rouyn Mines, has notified the Montreal Curb Market that 182,209 shares of capital stock have been issued at net price of 70 cents a share, payment for which has been received in full.

List New Shares Of Morris Kirk.

Company Grants Option to Halliwell Gold Mines

Toronto Stock Exchange has listed and posted for trading new shares of Morris Kirkland Gold Mines. Ticker abbreviation will remain MKD. By supplementary letters patent issued June 16, capital of Morris Kirkland was decreased by cancellation pro rata of the 1,735,840 $1 par value issued shares and then increased to 3,000,000 $1 par value shares by creation of an additional 1,735,840 shares.

Old stock is exchangeable for new on the basis of one for three. No fractional shares will be issued, but transferable fractional certificates will be provided and a share certificate issued on presentation of sufficient fractional certificates to constitute a new share.

Morris Kirkland has granted an option to Halliwell Gold Mines on 1,350,000 shares at prices from 15-60 cents per share. Payment for the first 100,000 shares at 25 cents per share has been made, but the shares have not yet been issued. To keep the option alive, Halliwell must pay $25,000 more after completion of the expenditure of the first $25,000, and thereafter payments at such times as will enable the company to keep in continuous operation and have on hand an available cash balance sufficient for 30 days' expenses.

Rowell Commission Problems — 1

Subsidizing Canada's Provinces

Conditional Grants Suggested as Basis For Readjustments

The accompanying article is the first of a series which will appear from time to time in The Financial Post analyzing the specific problems and suggestions which have been brought before the Rowell Commission hearings on Dominion-Provincial Relations. They are being written by The Financial Post staff writer who accompanied the commission on its tour of Canada.

It is presumably by dealing with these interrelated problems that the Commission report, when completed, will make its contribution to untangling of the Confederation knots.

By NORMAN A. WHITE

What place should federal subsidies to the provinces play in Canada's public finance system in the future?

This is one of the questions which will have to be answered by the Royal Commission on Dominion-Provincial Relations.

There are two types of federal subsidies

1. Unconditional subsidies whereby the Dominion makes annual payments to the provinces to assist them in financing their services. This is part of the Confederation agreement. These payments have been made since the B.N.A. Act was passed and have been revised upward on several occasions.

2. Conditional subsidies or grants-in-aid made for stipulated purposes or on certain conditions. These came into use about 25 years ago.

Since the fiscal need of some of the provinces cannot be denied it is not surprising that recommendations to the Royal Commission on Dominion-Provincial Relations have included suggestions in regard to subsidies. Capitalization of existing unconditional subsidies, increased unconditional subsidies and enlargement of the system of conditional grants have been suggested.

A Poor Record

The history of unconditional subsidies in Canada does not provide pleasant reading. Without doubt, there has been political manipulation of subsidies. Provinces drubbed up grievances and put forward claims for which there was little basis. The Dominion, on the other hand, granted claims in order to pay political debts or to win support for the party in power. It appears every grievance had its price.

Abolish Unconditional Subsidies

Since subsidy arrangements have been the cause of considerable bickering and provincial jealousy it is not surprising to find many favor the proposal of the Manitoba Government that unconditional subsidies should be abolished. Manitoba suggested capitalizing existing subsidies at 3¼%, the capital amounts arrived at to be applied to reduction of the provincial debt. Manitoba wants the Dominion to assume part of the provincial debt in return for retention of subsidy payments now made to the provinces.

The proposal has merit. Not only would it remove from the field of Dominion-provincial relations a political open sore, but it would help to ease the fiscal difficulties of those provinces which find themselves burdened with debt and interest charges.

There are, however, many difficulties. The average rate of interest on provincial bonds is considerably higher than the rate paid by the Dominion. Thus, if the Dominion assumed provincial debt equivalent to the subsidy capitalized at 3¼%, as suggested by Manitoba, or 3%, as suggested by Prince Edward Island, without carrying out a refunding operation, additional interest charges would be considerably higher than existing subsidy payments.

Manitoba Wants Refunding

Both Manitoba and Prince Edward Island, however, suggested the Dominion should refund the provincial debt assumed. In fact, Manitoba made it an express condition of its proposal that holders of Manitoba bonds should at the same time cooperate in refunding the balance of Manitoba's direct and indirect debt at an average rate of 3¼% and 3½% respectively.

In this form the proposal to capitalize subsidies is much less attractive. The commission during its sittings in Winnipeg indicated it doubted its feasibility. Provincial bonds are not callable and since they are widely held in many countries there would have to be some element of compulsion in the refunding scheme.

This element of compulsion might have a detrimental effect upon credit and it is doubtful whether the Dominion would agree to be a party to such a plan. It is to the interest of the Dominion to keep the provinces solvent, but it will seek some method of doing this which will not endanger its own credit standing.

Two provinces, British Columbia and Saskatchewan asked the commission to recommend increased unconditional subsidies. Both based their request on fiscal need. In addition, British Columbia claimed it should have a special adjustment before any general rearrangement of financial relations between the Dominion and the provinces.

Even more interesting than the proposals in regard to unconditional subsidies are those in regard to conditional subsidies or grants. The three Prairie Provinces and the three Maritime Provinces favor greater use of these conditional subsidies. All asked for federal assistance for special purposes such as social services, education and highways.

A system of conditional grants was the keystone of the proposals made by New Brunswick for an adjustment in Dominion-provincial financial relations. The proposal is worthy of consideration. The most desirable adjustment of Dominion-provincial financial relations may be a reallocation of taxation powers and responsibilities between the Dominion and the provinces, but it is going to be difficult to achieve in view of the opposition of Ontario, Quebec and New Brunswick to any increase in federal authority. A system of conditional grants may provide a way out since it would not involve an amendment to the constitution. Such a system might also provide more flexibility in Dominion-provincial financial relations.

Experience Not Satisfactory

The request for enlargement of the system of conditional subsidies is made in the face of the unsatisfactory experience of the past. Conditional grants by the Dominion to the provinces have been made for agriculture instruction, highways, technical education, venereal disease control, old-age pensions, unemploymet and farm relief and employment service. At present, grants are being made for the last three purposes only.

One of the unsatisfactory aspects is the fact that the Dominion is in a position to withdraw at any time. The province with the resultant service established can't withdraw.

Another objection to the system of conditional grants in Canada has been the absence of proper control by the Dominion. While it has made substantial grants the Dominion has interested itself mainly in auditing the accounts. It has never set definite standards for the services aided and seen that these were achieved.

This angle, of course, has been avoided by the provinces in their submissions to the commission. Provincial authorities have always been jealous of their prerogatives. This is especially true of Quebec, which has even objected to closer supervision of relief expenditures by the Dominion.

Most students of public finance will agree that greater federal supervision should be a necessary condition of any extension of conditional grants. Since it is collecting the funds, the Dominion has every right to supervise.

Dr. Luella Gettys in her recent book, "The Administration of Canadian Conditional Grants," says the major contrast between Canadian and United States experience is the relative weakness and ineffectiveness of the central administration of grants in Canada. She sees in this the reason why this device has been discredited and abandoned in Canada in the past.

Fiscal Need As Basis

As a part of the proposal for more conditional subsidies, establishment of a Grants Commission, similar to the one in Australia, was suggested to the Rowell Commission. This commission would determine what grants should be made to the provinces, "fiscal need" being recommended as a yardstick.

Acceptance of the principle of fiscal need in determining grants would be a new departure. In the past, the Dominion Government has resisted this principle although fairly conclusive evidence was presented that it has been the real basis for adjustment of subsidies in the past.

Difficult as fiscal need may be to determine, it is more acceptable than the theory of compensation for disabilities. As in Australia it should be possible for such a commission to set up standards to measure both necessity and effort which would rule out or materially reduce any claim for aid arising out of bad finance.

As indicated above, experience with subsidies in Canada has not been favorable, but it is probable they will have to be continued. It would be a defect in a federal system of government if the means were not available whereby the central government could strengthen its weaker parts. Subsidies provide such a means.

Chartered Accountants

ARTHUR S. FITZGERALD
AND COMPANY
Chartered Accountants
WINDSOR ONTARIO

RONALD, GRIGGS & CO.
Chartered Accountants
WINNIPEG
SASKATOON

MASECAR, DeROCHE & McMILLAN
Chartered Accountants
SASKATOON, SASK.

J. M. Dunwoody, C.A.
C. W. Nicholl, C.A. Thos. E. Saul, C.A.
DUNWOODY, NICHOLL, SAUL & CO.
CHARTERED ACCOUNTANTS
Winnipeg, Man., and Fort Frances, Ont.

CANADIAN WESTINGHOUSE

Westinghouse

The name that means everything in electricity

MAKER OF FINE ELECTRICAL PRODUCTS

MOTORS AND CONTROLS ♦ GENERATORS ♦ RECTIFIERS ♦ TRANSFORMERS ♦ LIGHTNING ARRESTERS ♦ CIRCUIT BREAKERS ♦ METAL CLAD SWITCHGEAR ♦ NOFUZ SWITCHING EQUIPMENT ♦ TRANSPORTATION EQUIPMENT ♦ RANGES ♦ REFRIGERATORS ♦ RADIOS AND RADIOTRONS ♦ WASHERS ♦ IRONERS ♦ WATER HEATERS ♦ VACUUM CLEANERS ♦ FANS ♦ TABLE APPLIANCES ♦ IRONS ♦ AIR CONDITIONING ♦ LAMPS AND LIGHTING EQUIPMENT ♦ SWITCHES ♦ MICARTA ♦ INSULATORS ♦ METERS AND INSTRUMENTS ♦ RELAYS ♦ WELDING EQUIPMENT

CANADIAN WESTINGHOUSE COMPANY, LIMITED
HAMILTON, ONTARIO
SALES, ENGINEERING OFFICES AND REPAIR SHOPS IN ALL PRINCIPAL CITIES

THE TRANS-CANADA TELEPHONE SYSTEM
EAST
meets
WEST

Montreal, Que.

Calgary, Alta.

Nation-wide, never failing service, and connections that are quick and clear though they span the continent — these are the advantages the Trans-Canada Telephone System brings you through your home or office telephone.

TRANS-CANADA TELEPHONE SYSTEM
THE BELL TELEPHONE COMPANY OF CANADA